



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4337

DATE FILMED 4-1-97 CAMERA NO. 4

CAMERAMAN JMH

97043783312



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

AK007914

April 11, 1996

MEMORANDUM

TO: LAWRENCE M. NOBLE  
GENERAL COUNSEL

THROUGH: JOHN C. SURINA  
STAFF DIRECTOR

FROM: ROBERT J. COSTA  
ASSISTANT STAFF DIRECTOR  
AUDIT DIVISION

SUBJECT: MONTANA DEMOCRATIC STATE CENTRAL COMMITTEE - REFERRAL  
MATTER

(MUR 4337)

On April 1, 1996, the Commission approved the Final Audit Report (FAR) on the Montana State Democratic Central Committee (the Committee). The report was released to the public on April 10, 1996. The attached finding from the FAR is being referred to your Office:

- Contributions to and/or Expenditures on Behalf of Candidate's Resulting From the Committee's Get-Out-The-Vote Activities (Finding II.G.)

In response to the interim audit report, the Committee provided documentation which was used by the Audit staff to revise our analysis. This revised analysis indicates that the only issued not resolved pertains to unauthorized expenditures on behalf of Clinton/Gore, totaling \$5,328, which arose as a result of the Committee's phone bank activities. It is the opinion of the Audit staff that pursuing this as a compliance matter may not constitute the most efficient use of Commission resources.

All workpapers and related documentation are available for review in the Audit Division. Should you have any questions, please contact Henry Miller or Alex Boniewicz at 219-3720.

Attachment: Finding II.G. - Contributions to and/or Expenditures on Behalf of Candidate's Resulting From the Committee's Get-Out-The-Vote Activities

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW  
DEDICATED TO KEEPING THE PUBLIC INFORMED

9704338313

G. Contributions to and/or Expenditures on behalf of Candidates Resulting From the Committee's Get-Out-the Vote Activities

Section 441a(d)(1) of Title 2 of the United States Code states that notwithstanding any other provision of law with respect to limitations on expenditures or limitations on contributions, 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 the limitations contained in paragraphs (2) and (3) of this subsection. Section 441a(d)(3) of Title 2 of the United States Code states, in relevant part, that the national committee of a political party, or a state committee of a political party, including any subordinate committee of a state committee, may not make any expenditure in connection with the general election campaign of any candidate for federal office in a state who is affiliated with such party which exceeds, in the case of a candidate for the election to the office of Representative from a state which is entitled to only one Representative, the greater of: (i) 2 cents multiplied by the voting age population of the state as certified; or, \$20,000, as adjusted for the increases in the Consumer Price Index provided for under 2 U.S.C. §441a(c).

Sections 100.8(b)(16)(i),(ii),(iii),(iv) and (vii) of Title 11 of the Code of Federal Regulations provide, in relevant part, that the payment by a state or local committee of a political party of the costs of campaign materials (such as handbills, brochures, posters, party tabloids or newsletters, and yard signs) used by such committee in connection with volunteer activities on behalf of any nominee(s) of such party is not an expenditure, provided that the following conditions are met:

- 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 purposes of this section, the term "direct mail" means any mailing(s) by a commercial vendor or any mailing(s) made from commercial lists.
- 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.

97043783314



- ° Such payment is not made from contributions designated by the donor to be spent on behalf of a particular candidate or candidates for Federal office.
- ° Such materials are distributed by volunteers and not by commercial or for-profit organizations.
- ° 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 CFR 110.7.

Sections 100.8(b)(18)(i), (ii), (iv), (v) and (vii) of Title 11 of the Code of Federal Regulations state, that the payment by a state or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by such committee on behalf of the Presidential and Vice Presidential nominee(s) of that party is not an expenditure for the purpose of influencing the election of such candidates provided that the following conditions are met:

- ° Such payment is not for the costs incurred in connection with any broadcasting, newspaper, magazine, billboard, 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.
- ° The portion of the costs of such activities allocable to federal candidates is paid from contributions subject to the limitations and prohibitions of the Act.
- ° If such activities include references to any candidate(s) for the House or Senate, the costs of such activities which are allocable to that candidate(s) shall be an expenditure on behalf of such candidate(s) unless the mention of such candidate(s) is merely incidental to the overall activity.
- ° Payment of the costs incurred in the use of phone banks in connection with voter registration and get-out-the-vote activities is not an expenditure when such phone banks are operated by volunteer workers. The use of paid professionals to design the phone bank system, develop calling instructions and train supervisors is permissible. The payment of the costs of such professional services is not

9 7 0 4 3 7 8 3 3 1 5

an expenditure but shall be reported as a disbursement in accordance with 11 CFR section 104.3.

- Payments made from funds donated by a national committee of a political party to a state or local party committee for voter registration and get-out-the-vote activities shall not qualify under this exemption. Rather such funds shall be subject to the limitations of 2 U.S.C. 441a(d) and 11 CFR 110.7.

Section 106.1 of Title 11 of the Code of Federal Regulations provides, in relevant parts, that expenditures made on behalf of more than one clearly identified federal candidate shall be attributed to each such candidate according to the benefit reasonably expected to be derived, to include payments made for the cost of certain voter registration and get-out-the-vote activities exempted by 11 CFR §100.8(b)(18) which contain references to any candidate(s) for the House of Representatives or Senate of the United States, unless such reference is incidental to the overall activity. Clearly identified means: the candidate's name appears; a photograph or drawing of the candidate appears; or the identity of the candidate is apparent by unambiguous reference.

Section 106.5(e) of Title 11 of the Code of Federal Regulations provides, in relevant part, that each state party committee shall allocate its expenses for activities exempt from the definition of expenditure under 11 CFR 100.8(b)(18), when conducted in conjunction with non-federal election activities, according to the proportion of time or space devoted in a communication. In the case of a publication, this ratio shall be determined by the space devoted to federal candidates or elections as compared to the total space devoted to all federal and non-federal candidates or elections. In the case of a phone bank, the ratio shall be determined by the number of questions or statements devoted to federal candidates or elections as compared to the total number of questions or statements devoted to all federal and non-federal candidates or elections.

#### 1. Background

During fieldwork, the Audit staff obtained a copy of the Committee's Coordinated Campaign plan (CC Plan) for 1992. In addition, telephone scripts and disbursement records were available for our review. The CC Plan described the planned use of both phone banks and direct mail in support of the Committee's nominees.

According to the CC Plan, the objective of the phone banks was to "enhance voter identification, follow-up on absentee ballot applications, poll for legislative candidates and make election day GOTV calls." Phone banks would be

97043783316



operated in Montana's twelve largest counties, with a long distance phone bank out of Helena. "This phone bank will operate with more paid phoners and will allow for better polling...In August, paid phone bank supervisors and volunteer phoners will be hired and trained. Legislative candidates will provide volunteers for the phone banks in their area. When necessary, paid phoners will be hired to keep the phone banks operating at full capacity five nights a week. The phone banks will begin operation the first week in September and continue through the election."

In September and early October, the primary purpose of the phone banks was to be voter identification. After absentee ballots were mailed October 1, the phone bank was to follow up on these ballots and begin persuasion and polling calls. Voter ID was to continue whenever the phone banks were available. GOTV reminder calls were to be made the week before the election to identified Democrats who did not apply for the absentee ballots. Paid phoners would be hired only if the phone banks are being run by volunteers at less than 70% of the planned level.

A chart in the CC Plan projects the use of 40 phones; 500 calls per hour of which 400 per hour are completed; 1,500 calls per night; for 60,000 total calls of which 48,000 are completed. This was expected to identify 20,400 Democrats of which 9,600 would be reached prior to election with GOTV reminder calls. The Committee budgeted \$36,000 for the phone banks.

With respect to the Committee's phone bank efforts, two documents were provided. One document is entitled "Polling Script for Phone Banks" and the other, "Persuasion Call Instructions".

The script for the first effort (Polling Script for Phone Banks) begins with the caller stating they are "with Northwest Research"<sup>5/</sup>; and then asking for a choice if the election were held today between George Bush the Republican or Bill Clinton the Democrat. The same is done for Williams or Marlenee (House) and Bradley or Racicot (Governor). The fourth question asks which of four positions on abortion most closely matches your position. Next is a question on Party affiliation and whether that affiliation is "strong" or "just leaning". Finally, a verification of the correct mailing address is made, and, if not available, the birth year is requested.

<sup>5/</sup> Northwest Research is an assumed business name registered with the Secretary of State of Montana by the Montana Democratic Party on September 9, 1992. The registration is to expire September 9, 1997.

97043783317

The second effort (Persuasion Call Instructions) consists of three separate scripts to be used dependent upon whether the calls are made for Clinton, Williams or Bradley. The Williams and Bradley scripts contain two sets of questions, one for pro-choice voters and the other for all other voters. The attached instructions note that volunteers for Williams or Bradley should use their respective scripts; and all others should be asked to use the Clinton script. In addition, fact sheets are provided for each of the candidates detailing their positions on various issues. The caller identifies the candidate on whose behalf they are calling, presents the candidate's position on certain issues, then asks "...can we count on you on Tuesday?"

According to the CC Plan, the voter file would be used to target independent and persuadable voters. The phone banks would be used to identify voters and target persuasion mail. The CC Plan notes at least two pieces of persuasion mail would be developed. A direct mail consultant was to be retained to help produce materials and give direction to the project. Use of the party's bulk mail permit would allow a cost effective means of delivering the message to Montana voters.

In addition to the copy of the Committee's CC Plan, the Audit staff obtained copies of printed materials distributed by the Committee, as well as a cost analysis of the printed matter. This analysis included ratios allocating the cost of these materials (to include applicable postage costs) between the federal and non-federal accounts.

The Audit staff notes that all scripts make specific reference to the candidate for the House of Representatives by name. Further, printed matter sent out based on information developed from the phone banks not only mentions the House candidate by name, but also includes a picture as well as information about the candidate.

As discussed in Finding II.F., most shared expenses, to include coordinated campaign expenditures, were paid from the non-federal account. Deposited into this account during the period 8/92 to 11/92 were moneys totaling \$70,783 received from the DNC Non-federal Individual Account; transfers from the Committee's federal account (\$93,102); and, contributions from individuals, other committees, and refunds (\$169,648).

The Audit staff performed an analysis of the source of funds received by all accounts during the period 8/92 to 11/92 and their application to disbursements made during the period.

9704378318



Our analysis<sup>6/</sup> indicated that no national party funds were used for expenses governed by 11 CFR §100.8(b).

2. Phone Banks

The Audit staff identified phone bank expenses totaling \$37,852 paid during the period 8/92 to 11/92. Of these expenses, \$8,786 is identified as for "phoners".

At the time of the audit fieldwork, the Audit staff was of the opinion that, based upon the above, the exemption granted under 11 CFR §100.8(b)(18) had been voided:

- (1) by the use of paid callers, as evidenced by the payments noted above for "phoners"; and
- (2) by the inclusion of non-incidental references to the House candidate;

The absence of information during fieldwork, such as time sheets for all callers, as well as information associating which script was used; and, the number of phone calls made with respect to each script, precluded a precise calculation of the amount of expenditures made on behalf of the two federal candidates (Clinton and Williams). However, under 11 CFR §106.5(e), as cited above, the costs were allocated equally to each candidate: 1/3 to Clinton/Gore; 1/3 to Williams; and, 1/3 to Bradley. This resulted in a \$12,617 contribution to each candidate.

At that time, it was concluded that all contributions resulting from the phone bank with respect to the general election made on behalf of Clinton (\$12,617) were unauthorized expenditures.<sup>7/</sup> Based on the Committee's excessive coordinated campaign contributions already presented at Finding II.B., any additional contributions and/or expenditures on behalf of Pat Williams for Congress arising from the phone banks (\$12,617) exceed the allowable limitations. The Audit staff notes that Pat Williams Campaign Committee donated \$39,000 in excess campaign funds to the Committee by check dated 11-6-92. At the exit conference, the Audit staff apprised Committee representatives of these matters.

<sup>6/</sup> This analysis does not consider other factors such as budgeting and the Committee's knowledge that party funds would be available. Nor does the analysis consider the impact of these factors on the Committee's decision making process.

<sup>7/</sup> There is no evidence that the Committee was authorized by the DNC under 11 CFR §110.7(a)(4) to avail itself of DNC's spending limitation. Through 3-31-94 the DNC had used \$9,802,789 of its \$10,331,703 limitation.

97043783319



Subsequent to the exit conference, the Committee submitted a narrative response to clarify and address concerns relative to its coordinated campaign effort.

According to the Committee's response, phone banks were used to accomplish three tasks:

- (a) Voter identification and polling: "Montana has no voter registration by party so in the election cycle when partisan interest is high the party ran phone banks to identify voter preference on candidates, issues and party. This information is used both for voter contact in the nearest and all future elections and general Party building, appealing to likely supporters to become members of the Party and to attend future Democratic events.

To avoid biasing responses we did not refer to the Democratic Party as the sponsor of these calls, and used a registered DBA (Northwest Research) if asked the source of the calls. No attempt was made in the call to persuade the respondent to vote in a particular manner." The Committee notes that paid supervisors and volunteer callers were used to make calls from the end of August 1992 through Friday, October 30th.

- (b) Persuasion calls: "Beginning Saturday, October 31 and running through Monday, November 2, the Committee ran persuasive phone banks to convince voters to support Clinton/Gore, Rep. Williams or the candidate for [G]overnor". Volunteers for Williams and the governor called for their respective candidates and the scripts they used made no mention of any other candidates. Volunteers for Clinton/Gore were joined by paid callers to do persuasion calls. The Committee spent approximately \$1,447.23 on paid callers who made Clinton/Gore calls. We now believe this expense was made in error and is not allowable."
- (c) Get-out-the-vote calls: "The Committee made calls to voters on election day Tuesday, November 3, to remind them to vote. No mention of any candidate was allowed on these calls. Paid supervisors were used with volunteer and paid callers."

In addition to its narrative response, the Committee submitted a copy of a response to an inquiry made by the Committee to Counsel at the DNC concerning the Committee's CC Plan as presented above.

DNC representatives also advised the Committee that the exemption for phone banks is available only with respect to

9704378332C

activity on behalf of the presidential and vice-presidential candidates. Phone banks on behalf of other federal candidates and the cost of paid phone banks undertaken on behalf of the presidential and vice-presidential candidates would constitute expenditures on behalf of those candidates. However, phone bank costs for voter identification and polling activity would not constitute a contribution or expenditure on behalf of any specific candidate since the Democratic Party was not mentioned, nor was there express advocacy of the defeat or election of a candidate.

The interim audit report recommended that the Committee submit any additional documentation and/or an explanation detailing why the use of paid callers and the specific references to the House candidate do not void the exemption from the expenditure limitations provided under 11 CFR §100.8(b)(18).

It was further recommended that the Committee provide documentation for phone bank projects to include but not be limited to:

- scripts used for the voter identification and get-out-the-vote phases of the CC Plan;
- time sheets for all paid callers;
- information associating each paid caller with a specific script or phase of the CC Plan;
- an allocation of phone bank costs, including supporting documentation, to each phase of the program (polling, voter identification, get-out-the vote and voter persuasion) based on the number of calls made for each phase. For phases of the program that utilized more than one script, the cost should be allocated to each script; and
- information detailing how the results of the polling and voter identification phases were utilized.

The interim audit report also recommended that for those expenditures on behalf of the House candidate, the Committee amend its reports and disclose these as 2 U.S.C. §441e(d) expenditures.

Finally, the interim audit report, as noted in Finding II.B., recognized that the Pat Williams Campaign Committee donated \$39,000 in excess campaign funds to the Committee on November 6, 1992. Absent a demonstration that the Committee did not make contributions and/or expenditures on behalf of Pat Williams for Congress, which exceeded allowable

97043783321



limitations, it was noted that the Committee could submit a statement designating part of this donation as a refund of the excess expenditures.

In its response to the interim audit report, the Committee acknowledged that unauthorized expenditures may have been made on behalf of federal candidates. With respect to those expenditures on behalf of Pat Williams, the response noted that "[r]egardless of the amount that the Audit Division deems allocable to the Williams Committee from the phone bank program there are more than sufficient funds remaining in the 1992 donation to offset that amount."

The Committee's response continued by disputing the total cost attributed to the phone bank by the Audit staff. The Committee identified an expenditure (\$1,750), included in the Audit staff's analysis, for a mailing list which was not received nor utilized until after the election. This would lower the total cost of the phone bank program to \$36,102.

The Committee's response also provided scripts used for the GOTV and voter identification phases; information associating paid callers with specific scripts or phases of the CC Plan; and a reasonable allocation of all costs associated with the CC Plan. The response reiterated that the phone bank program lasted for 72 days and involved three distinct phases:

- the polling/voter identification phase from August 24 through October 30, 1992 (68 days), which was used for "...its general mission of 'party building' and to further enhance its already existing voter file";
- the persuasion phase from October 31 through November 2, 1992 (3 days), made calls on behalf of the three above mentioned candidates; and
- the generic GOTV phase on November 3, 1992 (1 day), made calls which made no mention of specific candidates.

The Committee's response concluded by stating that it "believes that the costs associated with the voter identification phase of its phone [bank] program should be deemed as an administrative cost" and as such no candidate allocation is necessary; however, if the Audit Division determined that a portion of the first phase of the program is allocable to federal candidates, the Committee offered its analysis of such costs based upon the approach taken within the Commission's MUR (Matter Under Review) 2581. The MUR utilized an allocation formula for the development costs of a voter file based upon the number of names used.

97043783322

Based on its calculations, the Committee believed it may have made unauthorized expenditures on behalf of Clinton/Gore totaling \$3,510 and excessive expenditures on behalf of Williams totaling \$4,550.

The Audit staff has reviewed the materials presented by the Committee and has prepared a revised analysis. The documentation provided clearly indicates paid callers were used for each of the three phases of the phone bank program.

The Committee asserted that the polling/voter identification phase was for party building and to enhance its existing voter file. Further, the Committee noted that the script used during this phase contained "no express advocacy or electioneering." The Committee believes the costs of enhancing their voter file are administrative in nature and fall within the purview of 11 CFR §106.5(a)(2)(i). As such, they would not be allocable to any specific candidates. However, later in its response, the Committee acknowledged that the voter file was used during the persuasion and GOTV phases of this program.

The Audit staff finds no merit in the Committee's argument that, under 11 CFR §106.5, these are administrative costs and therefore not allocable to any specific candidate. This section addresses the allocation of four categories of disbursements, made by committees in connection with both Federal and non-Federal elections. Although one of these categories discusses administrative costs, it seems clear that, based upon the examples provided under this section (rent, utilities, supplies and salaries; except for such expenses directly attributable to a clearly identified candidate), the costs of enhancing a voter list were not contemplated as administrative. Regardless, this section does not address the issue of allocating costs among candidates.

It is the Audit staff's opinion that the costs of the polling/voter identification phase should be apportioned to the other two phases of the CC Plan which made use of the enhanced voter file. The Audit staff's revised analysis utilized the number of calls made with respect to the persuasion and the GOTV phases to apportion the costs of the polling/voter identification phase between those phases. The Committee's response does not note any other use for the information developed at that stage.

The Audit staff's revised analysis further allocated the costs associated with the persuasion phase to each of three candidates identified in the scripts, based on the number of phone calls made.

The total costs associated with the GOTV phase of the phone bank program were allocated to each of the three candidates using the ballot composition method, based on percentages developed during audit fieldwork.

97043783323



As a result, the Audit staff's revised analysis of costs associated with the phone bank program determined that contributions/expenditures were made on behalf of Williams in an amount which exceeded allowable limitations by \$10,087.

The Audit staff concurs that more than sufficient funds remain from the 1992 donation from the Williams campaign to designate as offsetting the contributions/expenditures which exceeded the limitation. Finally, this analysis indicates unauthorized expenditures were made on behalf of Clinton/Gore totaling \$5,528.

97043783324

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

FEB 21 4 21 PM '97

In the Matter of )  
 )  
Enforcement Priority System II )  
 )

**SENSITIVE**

GENERAL COUNSEL'S REPORT

**I. INTRODUCTION**

On September 10, 1996, the Commission approved an Enforcement Priority System for enforcement matters assigned to OGC Public Financing, Ethics & Special Projects staff ("EPS II"). See Memorandum to the Commission, *PFESP Enforcement Priority System*, dated August 6, 1996.

This Office has rated all of its PFESP enforcement cases under EPS II. Based upon that evaluation, this Office has identified 12 MURs for closing. By closing these 12 cases, this Office will be better able to focus its resources on the more significant cases, generally presidential matters. Moreover, these closings will enable us to process the 1996 presidential audits in a more efficient manner.

<sup>1</sup> This Office is currently assessing the impact of *FEC v. Williams*, No. 95-55320 (9th Cir. Filed Dec. 26, 1996), on our caseload. In *Williams*, the court ruled that the five-year statute of limitations under 28 U.S.C. § 2462 applies to the imposition of civil penalties in Commission enforcement actions. Unlike the initial implementation of the Enforcement Priority System ("EPS"), this Office is not recommending that certain cases involving state activity be closed at this time. See, e.g., Implementation of the Enforcement Priority System, approved April 20, 1993. This Office will forward specific recommendations in light of *Williams* in a subsequent report to the Commission.



Attached for Commission approval is the form letter that would be sent should these recommendations be approved. With the exception of notification letters sent to respondents in audit referrals, this Office will use the form notification letters currently used by the Enforcement Division. Since there is no form notification letter for audit referrals, this Office drafted the form notification letter at Attachment 1. Unlike RAD referrals, audit referrals are immediately assigned a MUR number and will eventually go on the public record when closed. Thus, it is necessary for us to notify the respondents in these instances prior to the matter appearing on the public record.

## **II. CASES RECOMMENDED FOR CLOSING**

### **A. Cases Not Warranting Further Pursuit Relative to Other Cases Pending Before the Commission**

Having evaluated the PFESP enforcement caseload, this Office has identified 12 cases that do not warrant pursuit relative to other pending matters.<sup>2</sup> A short description of each case and the factors leading to assignment of a relatively low priority and consequent recommendation not to pursue each case is attached to this Report. See Attachment 2. Also attached are the referral materials where that information has not been circulated previously to the Commission. See Attachment 3.

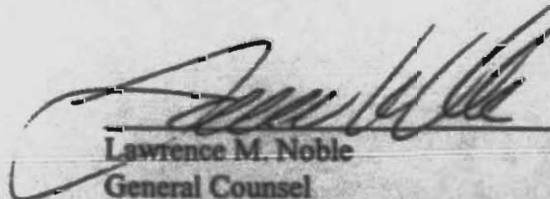
<sup>2</sup> These matters are: (1) MUR 4251 (Republican State Committee of Delaware); (2) MUR 4266 (Friends of Marc Little); (3) MUR 4271 (People for English); (4) MUR 4300 (The Committee to Elect Michael Flanagan); (5) MUR 4337 (Montana State Democratic Central Committee); (6) MUR 4345 (Nevada State Democratic Party); (7) MUR 4346 (Citizens for Jack Metcalf); (8) MUR 4381 (United Republican Fund of Illinois, Inc.); (9) MUR 4400 (San Bernardino County Republican Central Committee); (10) MUR 4436 (Abraham for Senate); (11) MUR 4441 (Republican Party of Dade County); and (12) MUR 4618 (Mississippi Democratic Party Political Action Committee).

## **RECOMMENDATIONS**

1. Approve the notification form letter at Attachment 1.
2. Take no further action, close the file effective (date) and approve the appropriate letters in the following matters:

- a. MUR 4251
- b. MUR 4266
- c. MUR 4271
- d. MUR 4300
- e. MUR 4337
- f. MUR 4345
- g. MUR 4346
- h. MUR 4381
- i. MUR 4400
- j. MUR 4436
- k. MUR 4441
- l. MUR 4618

2/21/97  
Date

  
Lawrence M. Noble  
General Counsel

## **Attachments**

1. Form letter
2. Description of low rated cases
3. Referral materials not previously circulated

97043783327



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Enforcement Priority System II. )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on February 27, 1997, the Commission decided by a vote of 5-0 to take the following actions in the above-captioned matter:

1. Approve the notification form letter, as recommended in the General Counsel's Report dated February 21, 1997.
2. Take no further action, close the file effective March 5, 1997 and approve the appropriate letters in the following matters:
  - a. MUR 4251
  - b. MUR 4266
  - c. MUR 4271
  - d. MUR 4300
  - e. MUR 4337
  - f. MUR 4345
  - g. MUR 4346
  - h. MUR 4381
  - i. MUR 4400
  - j. MUR 4436
  - k. MUR 4441
  - l. MUR 4618

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

Attest:

2-27-97  
Date

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

Received in the Secretariat: Fri., Feb. 21, 1997 4:21 p.m.  
Circulated to the Commission: Mon., Feb. 24, 1997 11:00 a.m.  
Deadline for vote: Thurs., Feb. 27, 1997 4:00 p.m.

lrd

9704378338



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

March 19, 1997

Peggy Egan, Treasurer  
Montana State  
Democratic Central Committee  
Box 802  
Helena, MT 59624

RE: MUR 4337

Dear Ms. Egan:

On April 11, 1996, the Audit Division referred the enclosed matters to the Office of General Counsel involving Montana State Democratic Central Committee ("Committee") and Peggy Egan, as treasurer, for possible enforcement action. The referral emanated from an audit of the Committee undertaken pursuant to 2 U.S.C. § 438(b). After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against the Committee. Accordingly, the Commission closed its file in this matter on March 5, 1997.

The confidentiality provisions of 2 U.S.C. § 437g(a)(2) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact me at (800)424-9530 or (202) 219-3690.

Sincerely,

A handwritten signature in dark ink, appearing to read "Gregory R. Baker", is written above the typed name.

Gregory R. Baker  
Special Assistant General Counsel

Enclosure

970433783329





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4337

DATE FILMED 4-1-97 CAMERA NO. 4

CAMERAMAN JMD

97043783330