



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 1537

Date Filmed 7/1/83 Camera No. --- 2

Cameraman JRL

1537

FEDERAL ELECTION COMMISSION

12-day Apt.
Routing Slips
Transmittal memos

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

- | | |
|--|---|
| <input type="checkbox"/> (1) Classified Information | <input type="checkbox"/> (6) Personal privacy |
| <input type="checkbox"/> (2) Internal rules and practices | <input type="checkbox"/> (7) Investigatory files |
| <input type="checkbox"/> (3) Exempted by other statute | <input type="checkbox"/> (8) Banking Information |
| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> (9) Well Information (geographic or geophysical) |
| <input checked="" type="checkbox"/> (5) Internal Documents | |

Signed

Michael J. Kennedy
Date 6/13/83

83040413340

Dymersky

1537 5/26

PS Form 3811, Dec. 1980

● **SENDER:** Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
☐ Show to whom and date delivered
☐ Show to whom, date, and address of delivery..
2. ☐ **RESTRICTED DELIVERY**
(The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL \$ _____

3. **ARTICLE ADDRESSED TO:**
Richard Donders
Dalem, OR 97303

4. **TYPE OF SERVICE:** **ARTICLE NUMBER**
☐ REGISTERED ☐ INSURED
☐ CERTIFIED ☐ COB
☐ EXPRESS MAIL
943314

(Always obtain signature of addressee or agent)
I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

5. **DATE OF DELIVERY**
JUN -1 1983

6. **ADDRESSEE'S ADDRESS (Only if requested)**

7. **UNABLE TO DELIVER BECAUSE:** 7a. **EMPLOYEE'S INITIALS**
JR

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

83040413344



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 26, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Richard Sanders
4356 25th Avenue NE #34
Salem, Oregon 97303

Re: MUR 1537

Dear Mr. Sanders:

The Federal Election Commission has reviewed the allegations of your complaint dated March 7, 1983, and determined that on the basis of the information provided in your complaint and information provided by the Respondent there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended ("the Act") has been committed.

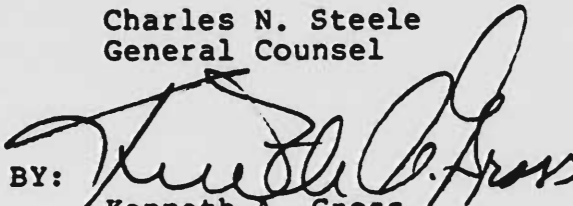
Accordingly, the Commission has decided to close the file in this matter. The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a) (8).

Should additional information come to your attention which you believe establishes a violation of the Act, you may file a complaint pursuant to the requirements set forth in 2 U.S.C. § 437g(a) (1) and 11 C.F.R. § 111.4.

Sincerely,

Charles N. Steele
General Counsel

BY:


Kenneth A. Gross
Associate General Counsel

Enclosure
General Counsel's Report

33040413345



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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Sincerely,

Charles N. Steele
General Counsel

BY:

Kenneth A. Gross
Associate General Counsel

Enclosure
General Counsel's Report

O.K. [Signature]
5/25

83040413346



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 26, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Richard M. Botteri, Esquire
Norton House
33 N.W. First Avenue
Portland, Oregon 97209

Re: MUR 1537

Dear Mr. Botteri:

On March 24, 1983, the Commission notified you of a complaint alleging that your client had violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on May 23, 1983, determined that on the basis of the information in the complaint and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel

BY

A handwritten signature in dark ink, appearing to read "Kenneth A. Gross", is written over the typed name.

Kenneth A. Gross
Associate General Counsel

Enclosure

83040413347



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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Sincerely,

Charles N. Steele
General Counsel

BY:

Kenneth A. Gross
Associate General Counsel

O.K.
RTH
5/25

83040413348

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

James Beall)

MUR 1537

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 23, 1983, the Commission decided by a vote of 5-0 to take the following actions in MUR 1537:

1. Find no reason to believe that James Beall violated 2 U.S.C. § 432(e) by failing to file a written designation of the candidate's principal campaign committee within the stipulated period.
2. Close the file.
3. Approve and authorize the sending of the proposed notification letters as attached to the First General Counsel's Report dated May 19, 1983.

Commissioners Aikens, Elliott, McDonald, McGarry and Reiche voted affirmatively in this matter; Commissioner Harris abstained.

Attest:

5/24/83

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary:
Circulated on 48 hour tally basis:

5-19-83, 12:33
5-19-83, 4:00

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SENSITIVE

FEDERAL ELECTION COMMISSION

1325 K Street, NW
Washington, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

83 MAY 19 PM 2: 33

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION:

5/19/83 - 12:30

MUR 1537

DATE COMPLAINT RECEIVED

BY OGC: 03/10/83

DATE NOTIFICATION RECEIVED

BY RESPONDENT: 03/24/83

STAFF MEMBER:

Michael Dymersky

COMPLAINANT'S NAME: Richard Sanders

RESPONDENT'S NAME: James Beall

RELEVANT STATUTE: 2 U.S.C. §§ 431(2)(A), 432(e) and
11 C.F.R. §§ 100.3, 100.7(b)(1) and
100.8(b)(1), 101.1, 102.12

INTERNAL REPORTS CHECKED: Respondent's Statements of
Candidacy and Organization

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

A complaint was received from Richard Sanders ("Complainant") on March 10, 1983, which alleges that James Beall ("Respondent") has qualified under the Act as a "candidate" for Oregon's Fifth Congressional District, and has failed to designate a principal campaign committee in accordance with the requirements of 2 U.S.C. § 432(e).

FACTUAL AND LEGAL ANALYSIS

2 U.S.C. § 431(2)(A) defines the term "candidate" to include an individual who is running for Federal office and who has

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received aggregate contributions in excess of \$5,000.

Complainant has attached a newspaper clipping which quotes Beall as having declared that he has received \$35,000 in aggregate contributions, including pledges. ^{1/} See Willamette Week article dated February 22, 1983, at Attachment I, page 6.

2 U.S.C. § 432(e) requires that each candidate for federal office designate, in writing, the political committee that will serve as the candidate's principal campaign committee. The designation must be filed with the Commission no later than 15 days after the achievement of candidate status. During the period complained of, no such designation was filed with the Commission by Beall. On April 11, 1983, a response to the Commission's notification that a complaint had been filed was received from Respondent. In that answer, Respondent contends that his activities have involved what can be best described as "testing the waters," and that at the time of the complaint he did not consider himself a candidate for Congress from the 5th District in Oregon. He maintains that he has collected and expended funds solely to assist him in determining whether he should run for federal office. ^{2/} These expenditures were

^{1/} The 1979 amendments to FECA, deleted "pledges" from the definition of "contribution." Therefore, pledges do not count under FECA for purposes of the \$5,000 threshold, or otherwise. However, it is suggested by Complainant and the supporting newspaper articles that Beall has received in excess of \$5,000 in contributions.

^{2/} Respondent stipulates that he has received "between \$25,000 and \$30,000 and incurred costs of about \$8,000 prior to the March 21, 1983, filing." See Attachment II, page 9.

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made for the purpose of retaining clerical and scheduling assistants, a consultant, and paying for supplies and fundraising costs, as well as telephone, gasoline, meals and postage.

Section 100.7(b)(1) of the Commission's Regulations gives a couple of examples of activities permissible under the "testing the waters" exemption. Specifically, expenses incurred for "conducting a poll, telephone calls and travel" are exempt. However, the provision does not limit exempted activity to the cited endeavors. Respondent, during the period complained of, did not conduct a poll, though he retained a consultant for both that purpose and the rendering of other general advice. This would be permissible as an activity clearly antecedent to "conducting a poll." Likewise, telephone expenses are expressly allowed, as are gasoline and meals, both of which are expenses normally associated with travel, a permissible activity, if it relates exclusively to testing the waters. Respondent's travel appears to be exclusively "testing the waters" related. Postage costs would also seem a necessary incident to making a determination of whether to become a candidate, as would the hiring of clerical and scheduling assistants for aid in preparing correspondence and coordinating appointments. The costs associated with raising funds for "testing the waters" are clearly allowable. See Advisory Opinions 1982-19, 1982-3 and 1981-32.

Respondent's other activities included contacting, and discussing the viability of a potential candidacy, with key

8
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Democratic party officials, state and local politicians, and some businessmen. However, Respondent did not make public speeches, prepare radio or television spots, release announcements to the press, purchase and circulate bumper stickers, buttons or lawn signs, or engage in other activity usually associated with a candidate.

Respondent's Statement of Candidacy (mailed on March 21, 1983) was received by the Commission on March 23, 1983. (On March 24, 1983, Respondent received notification that a complaint had been filed). Also on March 23, 1983, Respondent filed a Statement of Organization which designated the Friends of Jim Beall as his principal campaign committee.

As outlined above, funds received and payments made to defray the costs of "testing the waters" activities described by Respondent are within the exceptions set forth in the Commission's regulations at 11 C.F.R. §§ 100.7(b)(1) and 100.8(b)(1). However, the cited regulations have a carryback effect at the onset of candidate status, and require that all funds received and payments made for "testing the waters" activities be treated as contributions 3/ and expenditures. See

3/ It is difficult to tell from the information available whether contributions were received by Respondent during the "testing the waters" period which would not be in compliance with the Act once Respondent became a candidate. The terms of 11 C.F.R. § 101.3 require that any such contributions be returned to the contributor within ten days after the individual becomes a candidate. This information should be available when Respondent files his semi-annual report of receipts and expenditures in July.

Advisory Opinions 1982-3, 1981-32 and 1979-26. Moreover, the requirements of 2 U.S.C. § 432(e) apply at the onset of candidate status.

Since Respondent's activities during the period complained of fit within the regulatory exceptions at 11 C.F.R. §§ 100.7(b)(1) and 100.8(b)(1), the General Counsel recommends that the Commission find no reason to believe that Respondent violated the Act, and close the file in this matter.

RECOMMENDATIONS

1) Find no reason to believe that James Beall violated 2 U.S.C. § 432(e) by failing to file a written designation of the candidate's principal campaign committee within the stipulated period, and close the file in this matter; and

2) approve and authorize the sending of the attached, proposed notification letters.

83040413354
May 18, 1983
Date

Charles N. Steele
General Counsel

BY:

Kenneth A. Gross
Associate General Counsel

Attachments

- 1) Copy of complaint
- 2) Copy of response
- 3) Proposed notification letters

4356 25th Avenue NE #34
Salem, Oregon 97303
March 7, 1983

GCC#9642
83 MAR 10 PM: 43
(1)

Office of the General Counsel
Federal Elections Commission
1325 K Street NW
Washington, D.C. 20463

To the General Counsel:

Please accept this letter as a formal complaint under Title 2, Chapter 14, Subchapter 1, Section 431, Subsections (1) through (7) against announced candidate for the Federal office of Representative for Congress, James "Jim" Beall.

As shown in the attached newspaper clippings, Mr. Beall has been claiming his candidacy since Dec. 12, 1982. In the attached Blankenbaker column (Salem Statesman-Journal, 12/12/82), Beall is quoted as saying he will have "met the first of his campaign goals: a startup war chest of \$30,000." In the article he is quoted as considering himself a candidate.

In a January 12, 1983 Oregonian column, Beall again says he will meet his \$30,000 goal in January. In a February 22, Willamette Week story, Beall is quoted as saying he has \$25,000, and, including pledges, that figure tops \$35,000."

As of Friday, March 4, 1983 when I called Ms. Suzanne Wilson of the FEC, Mr. Beall was not listed with the FEC as a declared candidate. I believe his failure to file a statement of candidacy under the appropriate sections of Title 2 of the Federal Election Campaign Act places him in violation of that law.

This notarized letter and the supporting newspaper clippings are entered with the FEC as a formal complaint as described in Title 2, Section 437g (A) (1). I swear the above statements are true.

Sincerely,



Richard Sanders

State of Oregon
County of Marion

The foregoing instrument was acknowledged before me this 7th day of March, 1983 by Richard Sanders.

Celestin D. L. Henry

Notary Public for State of Oregon

My Commission Expires: 1-7-85

Attachment I - (1)

83040413355

3:30 PM: 50

...to elect a replacement for Director Sue Harris, who leaves the transit board in January to assume new duties as Salem's mayor.

...through the end of the year.
Here are the names of the board members, the number of meetings they attended between January and Dec. 6 (27 were held) and the attendance average: Salem City Councilman John Carney, 25

★ Statesman-Journal, Sunday, December 12, 1982

2D

The board includes five members elected from geographic regions within the district. Public officials fill the other four slots: two Salem City Council members and one commissioner each from Marion and Polk counties.

Meetings are a drag, but they go with the job. If transit board members are unwilling to assume their responsibilities, they should turn the job over to someone who will. The lousy attendance figures may force an overdue discussion about the board's size and current structure.

Denny Smith has his races on

A political friend puts it this way: "The question when I'm making out my Christmas card list this year is whether or not it doesn't plan to run against Denny Smith."

It sounded like rank exaggeration until I sat down Friday for a cup of coffee with a Democrat who has announced for the 5th District in 1984, only to have another announced candidate sit down at the same table.

My morning coffee companion was a thirtyish lawyer, Jim Beall. Besides being a former aide to long-time Congressman Al Ullman, who was unseated by Smith, he has impeccable connections in the nation's capital.

Joining us at the Capitol coffee shop was state Sen. Ruth McFarland, who lost to Smith in his re-election bid this year. She says the defeat has whetted her appetite for another run in '84.

Later in the day, I had lunch with yet another potential candidate: Mike Kopetski, who ran second to McFarland in the Democratic pri-

ron blankenbaker

mary in May.

Had I been so disposed, a few minutes' walk would have put me in contact with at least two more potential Democratic candidates: Marion County District Attorney Chris Van Dyke and Salem lawyer-legislator Peter Courtney.

With the exception of Van Dyke, who is more likely to run for attorney general, all of these people have good reason to run.

McFarland, while outspent by Smith \$288,426 to \$190,227, rolled up 98,852 votes to Smith's 103,906. Put another way, McFarland's votes cost her \$1.92 apiece compared to Smith's \$2.77.

Interestingly, McFarland got that close to Smith while losing in Clackamas County 39,651 to 37,710, supposedly her home base, and taking a

38,876-to-33,833 whipping in Marion County, the second most populous in the district. She lost 9,090 to 7,475 in Linn but tied Smith at 6,750 in Polk and carried Benton 13,134 to 9,539.

With that kind of showing, she has good reason to consider another go.

Meanwhile, there are these two young lawyers to consider, Beall and Courtney.

Courtney, while better known in the district than Beall, joins McFarland in having a legislative session to consider. While they are legislators, Beall will be off and running.

Beall told me Friday that by early January, he will have already met the first of his campaign goals: a startup war chest of \$30,000, almost all of it raised in Oregon.

He is already paying court to press corps members and community movers and shakers in the district. And he has some impressive credentials to flash on potential supporters who include business types fine with Denny Smith too reactionary even for their conservative tastes.

Attachment I - (2)

...a replacement for Director Sur...
...the transit post in January...
...ties as Salem's mayor.

...the board will try again to seat...
...members so an election can be held...
...the attraction of an election will be...
...than routine business.

...early years of the transit district's...
...members generally took an active in-...
...a year, however, attendance fell off

...cludes five members elected from...
...regions within the district. Public offi-...
...other four slots: two Salem City...
...bers and one commissioner each...
...and Polk counties.

through mediocre to poor.

Here are the names of the board members, the number of meetings they attended between January and Dec. 6 (27 were held) and the attendance average: Salem City Councilman John Carney, 25 attended, 93 percent; Harris, 24, 89 percent; Bruce Nopp, 24, 89 percent; Ron St. Jean, 23, 85 percent; Ed Zajonc, 20, 74 percent; Salem City Councilman Jim Rabe, 18, 67 percent; Marion County Commissioner Randy Franke, 15, 56 percent; Gene Derfler, 12, 44 percent; Polk County Commissioner Ben McGill, 4, 15 percent.

Meetings are a drag, but they go with the job. If transit board members are unwilling to assume their responsibilities, they should turn the job over to someone who will. The lousy attendance figures may force an overdue discussion about the board's size and current structure.

ATTENTION TO
HUMAN RIGHTS
PEOPLES FRIENDS
FRIENDS
BUT THEY DON'T
HEAR MUCH
MORE FREEDOM
THESE COUNTRIES
-dijk

Denny Smith has his races all cut

...end puts it this way:
...then I'm making out
...and list this year is
...plan to run against

...rank exaggeration
...Friday for a cup of
...meat who has an-
...5th District in 1984.
...the announced can-
...at the same table.

...coffee companion
...lawyer Jim Beall.
...former aide to long-
...an Al Ulman, who
...Smith, he has im-
...ations in the nation's

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ron blankenbaker

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He is already paying court to press corps members and community movers and shakers in the district. And he has some impressive credentials to flash on potential supporters, who include business types finding Denny Smith too reactionary for even their conservative tastes.

Beall is a...
...spends at least...
...in Washington...
...major business...
...firm he's joined

Among the...
...former Trans...
...Brock Adams...
...fect labor vo...
...terms in Cong...
...state.

Beall serves...
...Means staff...
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Beall is a...
...district. He d...
...Who?" for ve

Hachew 74(3)

the board members, the
attended between Jan-
held) and the attendance
mailman John Carney, 25
ris, 24.89 percent; Bruce
a St. Jean, 23.85 percent;
Salem City Councilman
Marion County Commis-
15.56 percent; Gene
Polk County Commission-
ent.

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are unwilling to assume
they should turn the job over
the lousy attendance figures
the discussion about the
structure.

MY FRIEND
ATTENDS TO
HUMAN RIGHTS
PEOPLES FREEDOM
FRIENDS



MY FRIEND
ATTENDS TO
HUMAN RIGHTS
PEOPLES FREEDOM
FRIENDS



(4)

BUT THEY DON'T
HEAR MUCH ABOUT
MORE FREEDOM IN
THESE COUNTRIES



OF COURSE NOT—
THEY'RE QUIET
DEMOCRACIES



WATERGATE

aces all cut out for him

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ty leaders and shakers in the district.
He has some impressive creden-
tials to flash on potential supporters,
including business types finding
Smith too reactionary for
their conservative tastes.

Beall is a lobbyist-lawyer. He
spends at least three days a month
in Washington, D.C., representing
major business clients of the law
firm he's joined.

Among the principals in his firm is
former Transportation Secretary
Brook Adams, who had a near-per-
fect labor voting record during 10
terms in Congress from Washington
state.

Beall served on Ullman's Ways &
Means staff and enjoys a continuing
relationship with the current Ways &
Means chairman, Rep. Dan Rosten-
kowski, D-Ill.

Obviously, he has the kinds of con-
gressional contacts both business
and labor like. He's also reminding
folks that long before he was a con-
gressional contender, he was a
hometown boy who made good, first
as an all-sport athlete at Hillsboro
High School and later as an Oregon
State University baseball player.

Beall is already canvassing the
district. He doesn't intend to be "Jim
Who?" for very long.

So what's Denny Smith learning
from all this potentially heavy com-
petition? In my view, not much.

In the May Republican primary,
Smith ran unopposed. But in Marion
County, he collared only 51 percent
of the vote.

To knowledgeable political ob-
servers, that means 49 percent of the
people who know him best voted for
none of the above.

A 49-percent undervote in his own
party's primary in his own county
should have told Smith that his con-
servatism was too extreme for the
Mid-Valley's new 5th District. He ap-
parently disagreed, which is how he
got his socks scared off in the gener-
al election against McFarland.

Now freshly re-elected, Smith
seems as reactionary as ever. If you
don't think so, guess who gave the
keynote speech at the Oregon John
Birch Society's recent gathering.

You've got it: Good old Denny
Who.

Ron Blankenbaker is a Statesman-Journal
writer.

Attachment I - (4)

gonian, Wednesday, January 12, 1983



Jonathan Nicholas

Dueling with Denny

The hardest thing to find in the Willamette Valley this spring will not be a sing-free vegetable patch. It'll be a Democrat who isn't planning to run against Denny Smith. The incumbent congressman is only just launched on his second term but, in the wake of Ruth McFarland's poorly orchestrated but so nearly successful campaign, candidates are already lining up to duel with Denny in '84.

Ruth McFarland (again), Salem lawyer-legislator Peter Courtney, Mike Kopetski (beaten by McFarland in last May's primary), and Marion County District Attorney Chris Van Dyke have all been spotted blowing (hot) air into trial balloons. But while others are still jockeying for position, one dark horse is already out of the gate, busy establishing himself as the guy to beat.

Jim Beall, 32, tells me he will have \$30,000 in his war chest by the end of the month and an army of prominent Democrats, and a surprising number of well-heeled — and understandably anonymous — Republicans are already committed to his cause.

Y ou probably don't know much about Beall yet. That suits him just fine. He plans on spending 1983 pursuing the empty-glass theory: just fill it up with good stuff by building a candidate's image. A native of Corvallis, he was an all-sport athlete at Hillsboro High before winning a baseball scholarship to Oregon State. Following law school at the University of Oregon, he headed for Washington, D.C., and a job with the Interior Department before landing a spot as an aide to veteran congressman Al Tillman. He rose to a key position on Tillman's Ways & Means Committee before taking a leave of absence to run Al's (humiliating) 1980 campaign. Subsequently he joined the law practice of Garvey, Schubert, Adams & Barer, opening an office for the firm in Portland. He specializes in solving federal legal problems for Oregonians and spends at least four days each month in Washington, D.C., maintaining his excellent connections on Capitol Hill.

Beall has formed an exploratory committee and signed up Jane Gary, highly touted manager of political campaigns for Chris Van Dyke and Salem Mayor Sue Harris, to oversee the early going. He expects to have to raise as much as \$500,000 to unseat Smith.

"Denny and I have one key philosophical difference," he explains. "I believe government ought to play an active role in coordinating solutions to problems." The key to his success, he believes, will be his penchant for working closely with those elements of the business community that have traditionally been ignored by Democrats. Though Beall himself disdains such labeling, he is clearly in the mold of what media trendies have taken to calling "Anti Democrats." As such, he aims to lead the way in showing folks — including old warhorses like Ted Kulongoski — that playing the old Democrat game simply will not work in the 1980s.

Attachment I - (5)

83040413359

P 1

Here Comes 1984

Democratic Hopefuls

SALEM — The 1983 Oregon Legislature may be only six weeks old, but many politicians are already laying plans to get out of here — not just to end the session, but to leave Salem forever. They would like to work in Washington, D.C., instead — specifically, at the expense of Denny Smith, the GOP's U.S. representative in the mid-Willamette Valley's 5th Congressional District.

Spurred by Smith's near defeat in 1982 by state Sen. Ruth McFarland (D-Clackamas County), a number of Democrats think the congressman will be beatable in 1984. Listed in the order of their likelihood to run, they are McFarland; Jim Beall, a 32-year-old lawyer who was McFarland's finance chairman in 1982; and Mike Kopetski, who narrowly lost to McFarland in the 1982 primary and is now a Salem government consultant.

These three seem certain to run. Other possible candidates, varying from likely to maybe, include Labor Commissioner Mary Wendy Roberts, Rep. Peter Courtney (D-Salem) and Sen. Walt Brown (D-Clackamas County).

No Oregon Democratic candidate in memory — certainly not McFarland in her 1982 race — has ever started so early and so fast as Beall, a former aide to then-U.S. Rep. Al Ullman. "We've received contributions of \$25,000 and, including pledges, that figure tops \$35,000," said Beall, in a telephone conversation from Washington, D.C., where his Portland law firm has an office, and where he spends nearly a week a month

politicizing.

McFarland, whose name is more familiar than Beall's, has the nucleus of her nearly successful 1982 campaign intact. Recently she hired Dick Sanders, a speechwriter for former Gov. Bob Straub, as her campaign manager. Sanders says a Valentine's Day fund-raising mailing raised \$1,000. The sum Beall has already raised is more than McFarland came up with for her entire 1982 Democratic primary race, when she narrowly beat Kopetski.

It is too soon to know whether Beall's name will prove an asset or a liability. He and his brother, Bob, were both baseball stars at Oregon State University; Bob Beall subsequently went on to a successful career as a first baseman with the Philadelphia Phillies and the Atlanta Braves in the 1970s. Thus the name Beall is a familiar one in Corvallis, a key 5th District city. However, Oregonians tend to look askance at athlete-candidates (unlike Alabama, where Gov. George Wallace once said the late Paul "Bear" Bryant University of Alabama football coach was the only man he politically feared).

Former U.S. Olympic team track Coach Bill Bowerman — the apotheosis of personal popularity in Eugene — lost in Eugene when he ran for state representative in the early 1970s. The same year, Portland voters reacted similarly to Indianapolis 500 race-car driver Art Pollard in his drearily unsuccessful legislative race. Neither man had Beall's experience in government, but if their defeats were partly caused by voter dislike of "jocks," Beall's chances may be hindered.

They may also be hindered by the animosity of the McFarland camp toward him. Beall started telling people he wanted the 1984 Democratic nomination while he was still working for McFarland, two months before the election was over. "I was a little angry when he did that," says Sanders, who was McFarland's press aide at the time. "I do have ill feelings about him for that, and don't mind saying it publicly."

Beall replies that the animosity is unfair to him, since, beginning in late 1981, he never made any secret of his interest in the race. "Ruth knew about it, too," he says.

— MARK KIRCHMEIER

H. Hachmest I - (6)

83040413369

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664 783/
63 APRIL 11 1983

RICHARD M. BOTTERI.
ATTORNEY AT LAW
NORTON HOUSE
33 N. W. FIRST AVENUE
PORTLAND, OREGON 97209
(503) 227-5042 OR 227-3331

Dymersky
⑦
p. 4:36

April 5, 1983

Mr. Michael Dymersky
Office of General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1537; Respondent, Jim Beall

Dear Mr. Dymersky:

On behalf of Mr. Jim Beall, I am submitting his response to the complaint recently filed against him, along with his statement designating me as his counsel. Mr. Beall received the complaint on March 24, 1983.

The complaint that Jim Beall collected more than \$5,000 in campaign contributions without filing as a candidate is frivolous and unfounded. Mr. Beall has been scrupulous in devoting his efforts solely to 'testing the waters.' He has made no decision to run for Congress. He has collected and expended funds solely to assist him in determining whether he should run. Most emphatically, Mr. Beall has taken no steps towards initiating a campaign and has not decided whether to run.

The complainant offers no evidence of a violation. He only submits newspaper columns which are incomplete and inaccurate. Mr. Beall has always maintained to news reporters who have inquired that he had only formed an exploratory committee. (see Nicholas column). Mr. Beall has never said to any reporter that he had made a decision to run. Please note that none of the columns specifically attribute such a statement to Mr. Beall.

In these interviews Mr. Beall candidly discussed the issues and personalities of a potential race. He also revealed the approximate sums he had raised to carry on his exploratory activities. But he never said he was a candidate, because he is not.

Attachment II - (1)

83040413361

Mr. Michael Dymersky
April 4, 1983
Page 2

8

Mr. Beall has not satisfied himself that it is prudent for him to run and he will not make that decision for several months. These columnists, however, have been impressed by the support offered to Mr. Beall. They have connected this offer of support with Mr. Beall's known interest in running to lay a foundation for their speculation that he undoubtedly will be a candidate.

These columns have created mischief. Precisely to avoid the misperception that he was acting illegally by raising campaign funds without filing a statement of candidacy, Mr. Beall filed a statement of candidacy on March 21, 1983. This was before he knew that the complaint had been filed. Nevertheless, as he has stated to me several times as well as to others, he has made no decision to run and has taken no steps to initiate a campaign.

The record will not support a finding of a 'reason to believe' that Mr. Beall has violated the law.

Very truly yours,

Richard M. Botteri

Richard M. Botteri

RMB:sg

Attachment II - (2)

83040413362

STATEMENT OF DESIGNATION OF COUNSEL

Re: MUR 1537

(9)

NAME OF COUNSEL: Richard M. Botteri

ADDRESS: 33 N.W. First Avenue
Portland, Oregon 97209

TELEPHONE: (503) 227-5042, 227-3331

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

Signature

NAME: Jim Beall

ADDRESS: 1800 One Main Place
101 S.W. Main
Portland, Oregon 97204

HOME PHONE (503) 636-0880

BUSINESS PHONE: (503) 228-3939

Attachment II - (3)

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RESPONSE OF

JIM BEALL

APRIL 4, 1983

RE: MUR 1537

83040413364
SUMMARY: The complaint filed March 10, 1983, is without a basis in fact. It is frivolous on its face because it is based solely on newspaper columnists' assertions that I am a candidate. In fact, one of these columnists (Nichols) observes rightly that I have formed an exploratory committee. As discussed more fully below, I am exploring the idea of running for Congress and have raised funds to allow me to 'test the waters'. On March 21, 1983 I filed as a candidate with the FEC before learning that this complaint had been lodged. I acted solely out of an abundance of caution; I am actually still exploring the possibility of running for Congress and may yet withdraw my filing. The newspaper reports that I am a candidate are inaccurate.

The complaint is filed by a person who was the campaign manager of Ruth McFarland, a candidate in 1982, for election to the House of Representatives from the Fifth Congressional District (Oregon). She has also stated her intention of

Attachment II - (4)

STATEMENT OF JIM BEALL
Federal Election Commission MUR 1537

April 4, 1983
Page 2

running again in 1984 and asked my support. If I run for this seat, she will be an opponent. On March 17, 1983 she filed as a candidate with the Federal Elections Commission.

CHRONOLOGY: In November, 1982, I was approached by individuals who urged me to run for Congress in the Fifth Congressional District of Oregon and I was offered support, money and assistance. I was not prepared to decide to run at that time, although I was in favor of exploring the possibility. I am engaged in the full time practice of law. Becoming a candidate would interrupt my legal career as well as requiring other personal sacrifices. I do not have as wide a name familiarity as the incumbent and as does Ruth McFarland, a likely primary opponent. I was unwilling to undertake a Congressional race without a thorough investigation of potential sources of support and testing the opinions of community leaders and the public in general in the Fifth Congressional District.

I was aware of the provisions of the Federal Election Campaign Act relating to "testing the waters". I resolved to form a committee that would raise funds to assist my exploratory efforts. I was aware that if I became a candidate, money donated and spent in this effort would be treated as reportable contributions and expenditures. However, I had reached no conclusion as to whether I would run--and still have not.

Attachment II - (5)

8304041336

(12)

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I assured the individuals who had approached me that I was interested in exploring the race, but that the "testing of the waters" could be a long and expensive process. I told them that the process would take at least six to 10 months and would require well over \$30,000. I estimated that a thorough public opinion poll would cost at least \$15,000 and have received a quotation in that range. I anticipated I would need to retain the services of a consultant who could identify for me the party, labor, and business leaders in the district whom I should contact to learn if they would give me support. The consultant also could help me analyze the responses I would receive. The District covers parts of five counties and contains about 20 cities.

I knew I could not ask my law firm's employees to schedule appointments or assist me in my correspondence. Therefore, I would need to pay for scheduling and clerical assistance.

I pointed out to those who were helping me that no contributions to an exploratory effort would be eligible for state or federal tax credits unless I subsequently filed for the office. We agreed to try to raise \$30,000 by the middle of January, 1983, to fund our exploratory activities. This sum is not adequate to start up a campaign. A successful primary campaign in which probably there will be several candidates will cost about \$200,000.

In January, 1983, I retained a reputable consulting firm and asked them how to explore the race in a thorough,

Attachment II - (6)

13

professional manner. This firm laid out a comprehensive procedure for exploring the race, helped me obtain clerical assistance and the services of an individual who would arrange my contacts with key individuals and groups as director of the exploratory committee. A bank account was established.

The director began scheduling me with opinion-makers and coordinating my clerical assistance (mainly thank-yous to donors).

During my meetings with key individuals, I have explained my exploratory effort and asked for their advice and observations. I always explained that my decision whether to run would be made in large part on the basis of what I learned from these meetings.

During the week of March 14, 1983, rumors said Ruth McFarland was complaining that I had raised "over \$5,000" but had not filed with the FEC. Apparently, she was referring to newspaper columns speculating about my potential candidacy.

On Monday morning, March 21, I went to the FEC office in Washington, D.C. to obtain clarification of this matter.

I explained that I was exploring the race (and raising money to fund my efforts), that one of my potential opponents apparently was complaining that I had not filed, and that it was my understanding that I need not file until I had definitely decided to run.

The FEC representative responded that my interpretation of FEC law was correct, but that the line between "exploring" and

Attachment II - (7)

83040413367

"campaigning" (in a legal sense) was not well-defined and required that a subjective judgment be made. He said that many candidates filed and later, if their decisions were negative, simply withdrew from the race. Later that day, to be safe, I filed the appropriate documents to avoid any misperceptions.

On March 24, 1983, I was notified (by certified mail) that McFarland's campaign director had filed an FEC complaint.

Even though I have filed with the FEC, I still am telling key individuals that I am "exploring the race" and will not make a decision on actually running until late spring or summer.

ACTUAL ACTIVITIES: So far, I have contacted key Democratic party officials (the three-and-four-member executive boards of the five county central committees), key state and local officeholders, political representatives of the education, senior, labor, environmental, and several individuals who I believed would have some insight into my chances of winning this race. I also have contacted businessmen who might help.

I make a standard three-part presentation which begins with an explanation of what an "exploratory committee" and "testing the waters" mean.

I then ask what the individual thinks my chances might be, what issues are of interest to him or her, and what other comments he or she may have.

Invariably I am asked on what basis I would make my decision (indicating that the questioner understood my explanation about exploratory committees and testing the

Attachment II-(8)

83040413368

15

STATEMENT OF JIM BEALL
Federal Election Commission MUR 1537

April 4, 1983
Page 6

waters).

I have often reemphasized the exploratory nature of my activities when sending thank-you letters to those who have encouraged me to run, provided financial assistance, or discussed the race with me. I have attached examples as Exhibit A.

It also is important to note what I have not done. I have not made public speeches, appeared on radio or television, sent out press releases, procured bumper stickers, buttons, lawn signs, or other public manifestations of candidacy, and have not told any one that I have made a decision to run.

EXPLORATORY EXPENDITURES: All expenditures have been incurred for the purpose of making an intelligent decision on whether to enter the race.

The exploratory has paid for part-time clerical assistance and part-time scheduling assistance. It has paid for the consultant. It has spent some funds for supplies and for costs associated with fundraising activities. It has incurred costs for telephone, gasoline, some meals, and postage. The committee has not yet purchased public opinion surveys or made other major expenditures. The committee has received between \$25,000 and \$30,000 and incurred costs of about \$8,000 prior to the March 21, 1983, filing. As a result of the filing of my candidacy, all prior contributions and expenditures are being tabulated as contributions and expenditures for purposes of the Act.

Attachment II-(9)

83040413369

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MR. SANDERS' "EVIDENCE": Mr. Sanders does not offer evidence. The three newspaper items he provides represent a combination of the writers' views of the political scene and their interpretation of my responses to their questions. Quite likely none of the three writers is familiar with FEC regulations or of what constitutes a filing, a candidacy, or an exploratory committee.

This is neither surprising nor unusual. Their work obviously does not require definitions and understanding of FEC regulations. While what they say may be interesting, it should not be construed as "evidence" in any court, before any regulatory body, or by any thoughtful person.

I have always stated to news reporters that I have only been exploring the idea of running. I have always stated I have only formed an exploratory committee (see Nicholas column). I have always stated that my decision to run will not be made for several months. Each of the columns is incomplete and inaccurate in its representation of my comments. Each column writer sought me out. From their conversations with me, it was obvious each had concluded I was a likely candidate before talking to me. One (Blankenbaker) has repeatedly asked me, since writing his column, if I have decided to run. I have always told him, "No."

SUPPORTING AFFIDAVITS: I have attached two affidavits from key individuals with whom I have met over the last several months. See Exhibits B and C. I also have attached the

Attachment II - (10)

03040413370



STATEMENT OF JIM BEALL
Federal Election Commission MUR 1537

April 4, 1983
Page 8

affidavit of my consultant, Mr. Wally Hunter. See Exhibit D.
I gladly will furnish as many additional affidavits as you
might deem helpful.

Jim Beall
Jim Beall

STATE OF OREGON)
) ss.
County of Multnomah)

Subscribed and sworn to before me this 4th day of April,
1983.

Richard W. Ratten
Notary Public for Oregon
My Commission expires: 6/14/84

83040413371

Attachment II - (11)

FRIENDS OF JIM BEALL

18

February 3, 1983

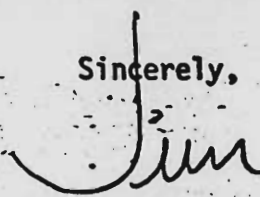
Mr. Mark L. Davidson
1000 Potomac Street, N.W.
Washington, D.C. 20007

Dear Mark:

Thanks again for your donation to the exploratory committee which has been formed on my behalf.

Your timely support is appreciated more than you know. You can be sure it will be put to good use in the months ahead as I make the necessary contacts which will lead to an ultimate decision on a Congressional race.

Sincerely,



Jim Beall

JB:ra

P.S. Federal regulations specify that donations to exploratory committees become political contributions when a candidacy is filed. If that happens we will send a receipt for your \$100 donation of January 6, 1983.

Exhibit A-1

83040413372

(19)

February 3, 1983

Karen Pitts
Manager, Burlingame Office
Western Savings & Loan Company
7737 S.W. Barbur Boulevard
Portland, Oregon 97219

Dear Karen:

Thank you for your thoughtful letter regarding the possibility of my candidacy for Congress.

We're just getting the exploratory committee formed and off the ground and are moving forward with the contacts and plans which will lead to an ultimate decision.

It's a long road and the winner will need a lot of the support which you have expressed. I appreciate your good wishes.

Sincerely,



Jim Beall

JB:ra

Exhibit A-2

Attachment II - (13)

83040413373

FRIENDS OF JIM BEALL



February 3, 1983

Marilyn M. Wall
Suite 686
Lloyd Five Hundred Building
Portland, Oregon 97232

Dear Marilyn:

Thank you for your thoughtful letter regarding the possibility of my candidacy for Congress.

We're just getting the exploratory committee formed and off the ground and are moving forward with the contacts and plans which will lead to an ultimate decision.

It's a long road and the winner will need a lot of that bipartisan support which you and Mitch have expressed. I appreciate your good wishes.

Sincerely,

Jim Beall

JB:ra

Exhibit A-3

Attached II-(14)

83040413374

FRIENDS OF JIM BEALL

21

February 3, 1983

Mr. Gerald W. Frank
Administrative Assistant to
U. S. Senator Mark O. Hatfield
P. O. Box 2225
Salem, Oregon 97308

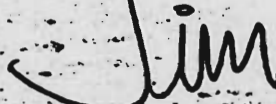
Dear Gerry:

Thank you for taking time to talk with me regarding the possibility of my candidacy for Congress.

We're just getting the exploratory committee formed and off the ground and are moving forward with the contacts and plans which will lead to an ultimate decision. I appreciate the names of Salem businessmen which you provided.

It's a long road and the winner will need a lot of the bipartisan support which you have already expressed.

Sincerely,



Jim Beall

JB:ra

Exhibit A-4

Attachment II-(15)

83040413375

FRIENDS OF JIM BEALL

22

February 3, 1983

Mr. William K. Condrell
6601 Michaels Drive
Bethesda, Maryland 20034

Dear Bill:

Thanks again for your donation to the exploratory committee which has been formed on my behalf.

Your early support--both personal and financial--is appreciated more than you know. It will help immeasurably in the months ahead as I make the necessary contacts and plans which will lead to my ultimate decision on a Congressional race.

Sincerely,



Jim Beall

JB:ra

P.S. Per federal regulations donations to exploratory committees become political contributions when a candidacy is filed. Should that occur we will send a receipt for your \$50 donation--for income tax purposes.

Exhibit A-5

Attachment 27-(16)

83040413376

23

February 4, 1983

Mr. and Mrs. Walter J. Butler
7260 S.W. 87th
Portland, Oregon 97223

Dear Jim and Lil:

Just a short note to thank you for your generous donation to my campaign exploratory committee. Your assistance at this early date means an awful lot to me.

We will keep you apprised of developments as we make our decisions relating to the campaign. If you ever have suggestions or comments, please do not hesitate to call me or the director of our committee, Jane Gary (221-1263).

Again, thanks to you both for your thoughtful assistance.

Sincerely,


Jim Beall

JB:ra

P.S. Per federal regulations donations to exploratory committees become political contributions when a candidacy is filed. Should that occur we will send a receipt for your \$200 donation of January 27, 1983.

Exhibit A-6

Attachment II - (17)

FRIENDS OF JIM BEALL

(54)

February 3, 1983

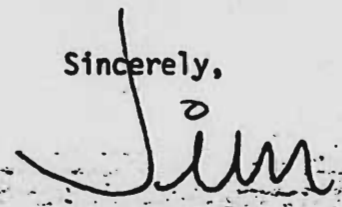
Mr. James C. L. Baxendale
77 Touchstone
Lake Oswego, Oregon 97034

Dear James:

Thanks again for your timely donation to the exploratory committee which has been formed on my behalf.

Your support--both personal and financial--is appreciated more than you know. It will help a great deal in the months ahead as we make the contacts and plans which will lead to an ultimate decision on a Congressional race.

Sincerely,



Jim Beall

JB:ra

P.S. Per federal regulations donations to exploratory committees become political contributions when a candidacy is filed. Should that occur we will send a receipt for your \$100 donation of December 24, 1982.

Exhibit A-7

Attachment II - (18)

83040413378

FRIENDS OF JIM BEALL

25

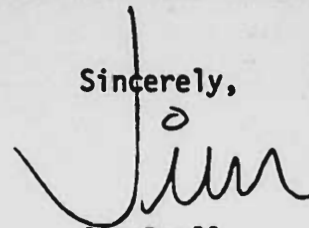
February 3, 1983

Dear Brock:

Thanks again for your timely and generous donation to my exploratory committee.

Your support is encouraging to me and is appreciated more than you know. It will be a great help in the months that lie ahead as we make the contacts and plans which will lead to an ultimate decision on a Congressional race.

Sincerely,



Jim Beall

JB:ra

P.S. Per federal regulations donations to exploratory committees become political contributions when a candidacy is filed. Should that happen we will send a receipt for your donation of \$250 January 2, 1983.

Mr. Brock Adams
Attorney at Law
1000 Potomac Street, N.W.
Fifth Floor
Washington, D.C. 20007

Exhibit A-8

Attached TT-19

183040413379

EXHIBIT B
to
STATEMENT OF JIM BEALL
Federal Election Commission MUR 1537

AFFIDAVIT OF MOLLY THOMAS -- APRIL 1, 1983

STATE OF OREGON)
) ss.
County of Clackamas)

I have known Jim Beall for several years and for the past several months have encouraged him to become a candidate for Congress.

Recently I invited a few leading citizens of Clackamas County to my home to meet with Jim. At this time he explained that he was not a candidate for the office, but that he was interested in it.

He explained that he had formed an "exploratory committee" and would run for the office only if he had the support of leading citizens and could raise adequate funds for a successful campaign. He indicated on this occasion that he would make a final decision this summer.

Molly Thomas
Molly Thomas
L. McCarthy Thomas

Subscribed and sworn to before this 5th
day of April, 1983.

James L. Johnson
Notary Public for Oregon
My Commission Expires: 1-10-84

Attachment II-(20)

83040413390

EXHIBIT C
to
STATEMENT OF JIM BEALL
Federal Election Commission MUR 1537

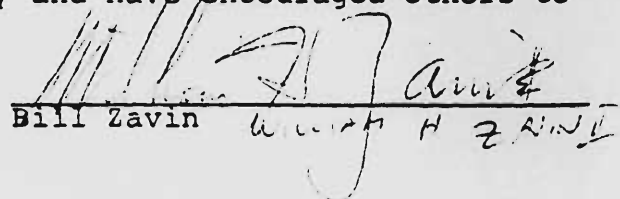
AFFIDAVIT OF BILL ZAVIN -- APRIL 4, 1983

STATE OF OREGON)
) ss.
County of MULTNOMAH)

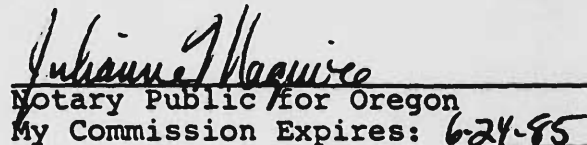
In early November, 1982, I offered Jim Beall a donation as a means of encouraging him to run for Congress and offered to contact others on his behalf.

Jim explained that he was interested in looking at this race, but cautioned me that donations would not be eligible for tax credits unless he later definitely decided to file.

Understanding this, I donated to his exploratory activity and have encouraged others to do likewise.


Bill Zavín WILLIAM H ZAVIN

Subscribed and sworn to before this 4th day of April, 1983.


Notary Public for Oregon
My Commission Expires: 6-24-85

83040413381

EXHIBIT D
to
STATEMENT OF JIM BEALL
Federal Election Commission MUR 1537

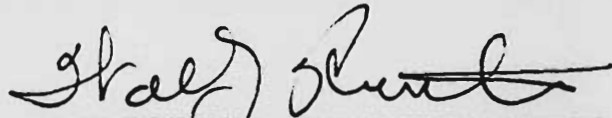
AFFIDAVIT OF WALLY HUNTER -- APRIL 4, 1983

STATE OF OREGON)
) ss.
County of Marion)


Jim Beall made it clear from the start of our association that he wanted it known only that he was "exploring" the potential of becoming a candidate for Oregon's Fifth District seat in Congress. In our meetings and conversations he insisted that there be no suggestion that he was, in fact, a candidate.

We discussed (and he explained) FEC regulations in this regard. He repeatedly said his intent was to explore the potential with regard to attracting funding and organizational and individual support for such a race. Our assignment has been to assist him in accomplishing those goals. We have not purchased media, signed contracts, nor taken the usual steps on behalf of an announced, campaigning candidate.

This firm has not asked for and is not receiving a standard political consulting retainer. Our billings to Friends of Jim Beall are based on office time.


Wally Hunter

Subscribed and sworn to before this 4th
day of April, 1983.


Rhaina Anderson
Notary Public for Oregon
My Commission Expires 10-11-83

83040413382



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Richard Sanders
4356 25th Avenue NE #34
Salem, Oregon 97303

Re: MUR 1537

Dear Mr. Sanders:

The Federal Election Commission has reviewed the allegations of your complaint dated March 7, 1983, and determined that on the basis of the information provided in your complaint and information provided by the Respondent there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended ("the Act") has been committed.

Accordingly, the Commission has decided to close the file in this matter. The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Should additional information come to your attention which you believe establishes a violation of the Act, you may file a complaint pursuant to the requirements set forth in 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4.

Sincerely,

Charles N. Steele
General Counsel

BY:

Kenneth A. Gross
Associate General Counsel

Enclosure
General Counsel's Report

Attachment EW - (1)

33040413383



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Richard M. Botteri, Esquire
Norton House
33 N.W. First Avenue
Portland, Oregon 97209

Re: MUR 1537

Dear Mr. Botteri:

On March 24, 1983, the Commission notified you of a complaint alleging that your client had violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on May , 1983, determined that on the basis of the information in the complaint and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel

BY:

Kenneth A. Gross
Associate General Counsel

Attachment III - (2)



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/JODY C. RANSOM *JCR*

DATE: MAY 3, 1983

SUBJECT: MJR 1537 - First General Counsel's Report
dated April 29, 1983

The above-named document was circulated to the Commission on a 24 hour no-objection basis at 11:00, May 2, 1983.

There were no objections to the First General Counsel's Report at the time of the deadline.

83040413389

SENSITIVE

FEDERAL ELECTION COMMISSION
1325 K Street, NW
Washington, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

83 APR 29 P 5: 02

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION:

4/29/83

MUR 1537
DATE COMPLAINT RECEIVED
BY OGC: 03/10/83
DATE NOTIFICATION RECEIVED
BY RESPONDENT: 03/24/83
STAFF MEMBER:
Michael Dymersky

COMPLAINANT'S NAME: Richard Sanders

RESPONDENT'S NAME: James Beall

RELEVANT STATUTE: 2 U.S.C. §§ 431(2)(A), 432(e) and
11 C.F.R. §§ 100.3, 100.7(b)(1) and
100.8(b)(1), 101.1, 102.12

INTERNAL REPORTS CHECKED: Respondent's Statements of
Candidacy and Organization

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

A complaint was received from Richard Sanders ("Complainant") on March 10, 1983, which alleges that James Beall ("Respondent") has qualified under the Act as a "candidate" for Oregon's Fifth Congressional District, and has failed to designate a principal campaign committee in accordance with the requirements of 2 U.S.C. § 432(e).

FACTUAL AND LEGAL ANALYSIS

2 U.S.C. § 431(2)(A) defines the term "candidate" to include an individual who is running for Federal office and who has

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received aggregate contributions in excess of \$5,000.

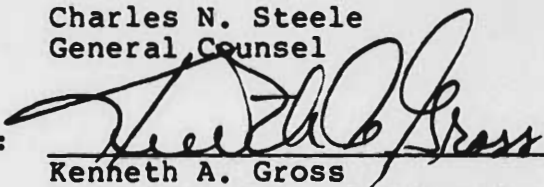
Complainant has attached a newspaper clipping which quotes Beall as having declared that he has received \$35,000 in aggregate contributions, including pledges.

2 U.S.C. § 432(e) requires that each candidate for federal office file with the Commission, a written designation of a political committee which will serve as that candidate's principal campaign committee, no later than 15 days after becoming a candidate. During the period complained of no such designation was filed with the Commission by Beall. On April 11, 1983, a response to the Commission's notification that a complaint had been filed, was received from Respondent. In that answer, Respondent contends that his activities have involved what can be best described as "testing the waters," and that at the time of the complaint he did not consider himself a candidate for Congress from the 5th District in Oregon. He maintains that he has collected and expended funds solely to assist him in determining whether he should run for federal office. The General Counsel is now analyzing the activities claimed by Respondent to come under the exemption. Recommendations on this matter should be forthcoming shortly.

83040413387
Date April 28, 1983

Charles N. Steele
General Counsel

BY:


Kenneth A. Gross
Associate General Counsel

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83 APRIL 81 11 31

RICHARD M. BOTTERI
ATTORNEY AT LAW
NORTON HOUSE
33 N. W. FIRST AVENUE
PORTLAND, OREGON 97209
(503) 227-5042 OR 227-3331

April 5, 1983

Mr. Michael Dymersky
Office of General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1537; Respondent, Jim Beall

Dear Mr. Dymersky:

On behalf of Mr. Jim Beall, I am submitting his response to the complaint recently filed against him, along with his statement designating me as his counsel. Mr. Beall received the complaint on March 24, 1983.

The complaint that Jim Beall collected more than \$5,000 in campaign contributions without filing as a candidate is frivolous and unfounded. Mr. Beall has been scrupulous in devoting his efforts solely to 'testing the waters.' He has made no decision to run for Congress. He has collected and expended funds solely to assist him in determining whether he should run. Most emphatically, Mr. Beall has taken no steps towards initiating a campaign and has not decided whether to run.

The complainant offers no evidence of a violation. He only submits newspaper columns which are incomplete and inaccurate. Mr. Beall has always maintained to news reporters who have inquired that he had only formed an exploratory committee. (see Nicholas column). Mr. Beall has never said to any reporter that he had made a decision to run. Please note that none of the columns specifically attribute such a statement to Mr. Beall.

In these interviews Mr. Beall candidly discussed the issues and personalities of a potential race. He also revealed the approximate sums he had raised to carry on his exploratory activities. But he never said he was a candidate, because he is not.

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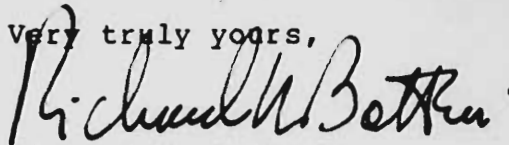
Mr. Michael Dymersky
April 4, 1983
Page 2

Mr. Beall has not satisfied himself that it is prudent for him to run and he will not make that decision for several months. These columnists, however, have been impressed by the support offered to Mr. Beall. They have connected this offer of support with Mr. Beall's known interest in running to lay a foundation for their speculation that he undoubtedly will be a candidate.

These columns have created mischief. Precisely to avoid the misperception that he was acting illegally by raising campaign funds without filing a statement of candidacy, Mr. Beall filed a statement of candidacy on March 21, 1983. This was before he knew that the complaint had been filed. Nevertheless, as he has stated to me several times as well as to others, he has made no decision to run and has taken no steps to initiate a campaign.

The record will not support a finding of a 'reason to believe' that Mr. Beall has violated the law.

Very truly yours,


Richard M. Botteri

RMB:sg

83040413389

STATEMENT OF DESIGNATION OF COUNSEL

Re: MUR 1537

NAME OF COUNSEL: Richard M. Botteri

ADDRESS: 33 N.W. First Avenue
Portland, Oregon 97209

TELEPHONE: (503) 227-5042, 227-3331

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.

4-1-83
Date

Jim Beall
Signature

NAME: Jim Beall

ADDRESS: 1800 One Main Place
101 S.W. Main
Portland, Oregon 97204

HOME PHONE (503) 636-0880

BUSINESS PHONE: (503) 228-3939

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RECEIVED AT THE FEC
83 APRIL 11 AM 1:31

RESPONSE OF
JIM BEALL
APRIL 4, 1983

RE: MUR 1537

83040413391
SUMMARY: The complaint filed March 10, 1983, is without a basis in fact. It is frivolous on its face because it is based solely on newspaper columnists' assertions that I am a candidate. In fact, one of these columnists (Nichols) observes rightly that I have formed an exploratory committee. As discussed more fully below, I am exploring the idea of running for Congress and have raised funds to allow me to 'test the waters'. On March 21, 1983 I filed as a candidate with the FEC before learning that this complaint had been lodged. I acted solely out of an abundance of caution; I am actually still exploring the possibility of running for Congress and may yet withdraw my filing. The newspaper reports that I am a candidate are inaccurate.

The complaint is filed by a person who was the campaign manager of Ruth McFarland, a candidate in 1982, for election to the House of Representatives from the Fifth Congressional District (Oregon). She has also stated her intention of

running again in 1984 and asked my support. If I run for this seat, she will be an opponent. On March 17, 1983 she filed as a candidate with the Federal Elections Commission.

CHRONOLOGY: In November, 1982, I was approached by individuals who urged me to run for Congress in the Fifth Congressional District of Oregon and I was offered support, money and assistance. I was not prepared to decide to run at that time, although I was in favor of exploring the possibility. I am engaged in the full time practice of law. Becoming a candidate would interrupt my legal career as well as requiring other personal sacrifices. I do not have as wide a name familiarity as the incumbent and as does Ruth McFarland, a likely primary opponent. I was unwilling to undertake a Congressional race without a thorough investigation of potential sources of support and testing the opinions of community leaders and the public in general in the Fifth Congressional District.

I was aware of the provisions of the Federal Election Campaign Act relating to "testing the waters". I resolved to form a committee that would raise funds to assist my exploratory efforts. I was aware that if I became a candidate, money donated and spent in this effort would be treated as reportable contributions and expenditures. However, I had reached no conclusion as to whether I would run--and still have not.

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I assured the individuals who had approached me that I was interested in exploring the race, but that the "testing of the waters" could be a long and expensive process. I told them that the process would take at least six to 10 months and would require well over \$30,000. I estimated that a thorough public opinion poll would cost at least \$15,000 and have received a quotation in that range. I anticipated I would need to retain the services of a consultant who could identify for me the party, labor, and business leaders in the district whom I should contact to learn if they would give me support. The consultant also could help me analyze the responses I would receive. The District covers parts of five counties and contains about 20 cities.

I knew I could not ask my law firm's employees to schedule appointments or assist me in my correspondence. Therefore, I would need to pay for scheduling and clerical assistance.

I pointed out to those who were helping me that no contributions to an exploratory effort would be eligible for state or federal tax credits unless I subsequently filed for the office. We agreed to try to raise \$30,000 by the middle of January, 1983, to fund our exploratory activities. This sum is not adequate to start up a campaign. A successful primary campaign in which probably there will be several candidates will cost about \$200,000.

In January, 1983, I retained a reputable consulting firm and asked them how to explore the race in a thorough,

professional manner. This firm laid out a comprehensive procedure for exploring the race, helped me obtain clerical assistance and the services of an individual who would arrange my contacts with key individuals and groups as director of the exploratory committee. A bank account was established.

The director began scheduling me with opinion-makers and coordinating my clerical assistance (mainly thank-yous to donors).

During my meetings with key individuals, I have explained my exploratory effort and asked for their advice and observations. I always explained that my decision whether to run would be made in large part on the basis of what I learned from these meetings.

During the week of March 14, 1983, rumors said Ruth McFarland was complaining that I had raised "over \$5,000" but had not filed with the FEC. Apparently, she was referring to newspaper columns speculating about my potential candidacy.

On Monday morning, March 21, I went to the FEC office in Washington, D.C. to obtain clarification of this matter.

I explained that I was exploring the race (and raising money to fund my efforts), that one of my potential opponents apparently was complaining that I had not filed, and that it was my understanding that I need not file until I had definitely decided to run.

The FEC representative responded that my interpretation of FEC law was correct, but that the line between "exploring" and

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"campaigning" (in a legal sense) was not well-defined and required that a subjective judgment be made. He said that many candidates filed and later, if their decisions were negative, simply withdrew from the race. Later that day, to be safe, I filed the appropriate documents to avoid any misperceptions.

On March 24, 1983, I was notified (by certified mail) that McFarland's campaign director had filed an FEC complaint.

Even though I have filed with the FEC, I still am telling key individuals that I am "exploring the race" and will not make a decision on actually running until late spring or summer.

ACTUAL ACTIVITIES: So far, I have contacted key Democratic party officials (the three-and-four-member executive boards of the five county central committees), key state and local officeholders, political representatives of the education, senior, labor, environmental, and several individuals who I believed would have some insight into my chances of winning this race. I also have contacted businessmen who might help.

I make a standard three-part presentation which begins with an explanation of what an "exploratory committee" and "testing the waters" mean.

I then ask what the individual thinks my chances might be, what issues are of interest to him or her, and what other comments he or she may have.

Invariably I am asked on what basis I would make my decision (indicating that the questioner understood my explanation about exploratory committees and testing the

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waters).

I have often reemphasized the exploratory nature of my activities when sending thank-you letters to those who have encouraged me to run, provided financial assistance, or discussed the race with me. I have attached examples as Exhibit A.

It also is important to note what I have not done. I have not made public speeches, appeared on radio or television, sent out press releases, procured bumper stickers, buttons, lawn signs, or other public manifestations of candidacy, and have not told any one that I have made a decision to run.

EXPLORATORY EXPENDITURES: All expenditures have been incurred for the purpose of making an intelligent decision on whether to enter the race.

The exploratory has paid for part-time clerical assistance and part-time scheduling assistance. It has paid for the consultant. It has spent some funds for supplies and for costs associated with fundraising activities. It has incurred costs for telephone, gasoline, some meals, and postage. The committee has not yet purchased public opinion surveys or made other major expenditures. The committee has received between \$25,000 and \$30,000 and incurred costs of about \$8,000 prior to the March 21, 1983, filing. As a result of the filing of my candidacy, all prior contributions and expenditures are being tabulated as contributions and expenditures for purposes of the Act.

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MR. SANDERS' "EVIDENCE": Mr. Sanders does not offer evidence. The three newspaper items he provides represent a combination of the writers' views of the political scene and their interpretation of my responses to their questions. Quite likely none of the three writers is familiar with FEC regulations or of what constitutes a filing, a candidacy, or an exploratory committee.

This is neither surprising nor unusual. Their work obviously does not require definitions and understanding of FEC regulations. While what they say may be interesting, it should not be construed as "evidence" in any court, before any regulatory body, or by any thoughtful person.

I have always stated to news reporters that I have only been exploring the idea of running. I have always stated I have only formed an exploratory committee (see Nicholas column). I have always stated that my decision to run will not be made for several months. Each of the columns is incomplete and inaccurate in its representation of my comments. Each column writer sought me out. From their conversations with me, it was obvious each had concluded I was a likely candidate before talking to me. One (Blankenbaker) has repeatedly asked me, since writing his column, if I have decided to run. I have always told him, "No."

SUPPORTING AFFIDAVITS: I have attached two affidavits from key individuals with whom I have met over the last several months. See Exhibits B and C. I also have attached the

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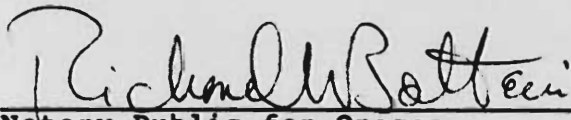
affidavit of my consultant, Mr. Wally Hunter. See Exhibit D.
I gladly will furnish as many additional affidavits as you
might deem helpful.



Jim Beall

STATE OF OREGON)
) ss.
County of Multnomah)

Subscribed and sworn to before me this 4th day of April,
1983.



Notary Public for Oregon
My Commission expires: 6/4/84

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FRIENDS OF JIM BEALL

February 3, 1983

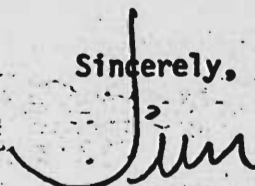
Mr. Mark L. Davidson
1000 Potomac Street, N.W.
Washington, D.C. 20007

Dear Mark:

Thanks again for your donation to the exploratory committee which has been formed on my behalf.

Your timely support is appreciated more than you know. You can be sure it will be put to good use in the months ahead as I make the necessary contacts which will lead to an ultimate decision on a Congressional race.

Sincerely,



Jim Beall

JB:ra

P.S. Federal regulations specify that donations to exploratory committees become political contributions when a candidacy is filed. If that happens we will send a receipt for your \$100 donation of January 6, 1983.

Exhibit A-1

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FRIENDS OF JIM BEALL

February 3, 1983

Karen Pitts
Manager, Burlingame Office
Western Savings & Loan Company
7737 S.W. Barbur Boulevard
Portland, Oregon 97219

Dear Karen:

Thank you for your thoughtful letter regarding the possibility of my candidacy for Congress.

We're just getting the exploratory committee formed and off the ground and are moving forward with the contacts and plans which will lead to an ultimate decision.

It's a long road and the winner will need a lot of the support which you have expressed. I appreciate your good wishes.

Sincerely,



Jim Beall

JB:ra

Exhibit A-2

FRIENDS OF JIM BEALL

February 3, 1983

Marilyn M. Wall
Suite 686
Lloyd Five Hundred Building
Portland, Oregon 97232

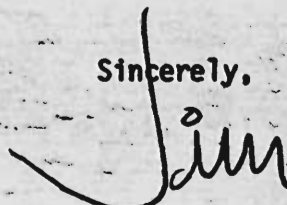
Dear Marilyn:

Thank you for your thoughtful letter regarding the possibility of my candidacy for Congress.

We're just getting the exploratory committee formed and off the ground and are moving forward with the contacts and plans which will lead to an ultimate decision.

It's a long road and the winner will need a lot of that bipartisan support which you and Mitch have expressed. I appreciate your good wishes.

Sincerely,



Jim Beall

JB:ra

Exhibit A-3

FRIENDS OF JIM BEALL

February 3, 1983

Mr. Gerald W. Frank
Administrative Assistant to
U. S. Senator Mark O. Hatfield
P. O. Box 2225
Salem, Oregon 97308

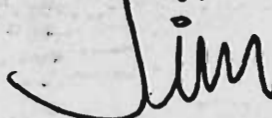
Dear Gerry:

Thank you for taking time to talk with me regarding the possibility of my candidacy for Congress.

We're just getting the exploratory committee formed and off the ground and are moving forward with the contacts and plans which will lead to an ultimate decision. I appreciate the names of Salem businessmen which you provided.

It's a long road and the winner will need a lot of the bipartisan support which you have already expressed.

Sincerely,



Jim Beall

JB:ra

Exhibit A-4

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FRIENDS OF JIM BEALL

February 3, 1983

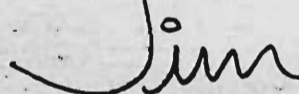
Mr. William K. Condrell
6601 Michaels Drive
Bethesda, Maryland 20034

Dear Bill:

Thanks again for your donation to the exploratory committee which has been formed on my behalf.

Your early support--both personal and financial--is appreciated more than you know. It will help immeasurably in the months ahead as I make the necessary contacts and plans which will lead to my ultimate decision on a Congressional race.

Sincerely,



Jim Beall

JB:ra

P.S. Per federal regulations donations to exploratory committees become political contributions when a candidacy is filed. Should that occur we will send a receipt for your \$50 donation--for income tax purposes.

Exhibit A-5

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FRIENDS OF JIM BEALL

February 4, 1983

Mr. and Mrs. Walter J. Butler
7260 S.W. 87th
Portland, Oregon 97223

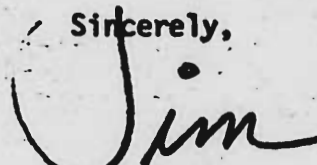
Dear Jim and Lil:

Just a short note to thank you for your generous donation to my campaign exploratory committee. Your assistance at this early date means an awful lot to me.

We will keep you apprised of developments as we make our decisions relating to the campaign. If you ever have suggestions or comments, please do not hesitate to call me or the director of our committee, Jane Gary (221-1263).

Again, thanks to you both for your thoughtful assistance.

Sincerely,


Jim Beall

JB:ra

P.S. Per federal regulations donations to exploratory committees become political contributions when a candidacy is filed. Should that occur we will send a receipt for your \$200 donation of January 27, 1983.

Exhibit 4-6

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FRIENDS OF JIM BEALL

February 3, 1983

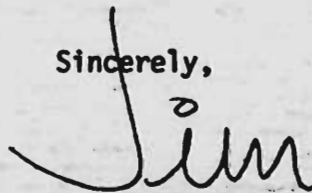
Mr. James C. L. Baxendale
77 Touchstone
Lake Oswego, Oregon 97034

Dear James:

Thanks again for your timely donation to the exploratory committee which has been formed on my behalf.

Your support--both personal and financial--is appreciated more than you know. It will help a great deal in the months ahead as we make the contacts and plans which will lead to an ultimate decision on a Congressional race.

Sincerely,



Jim Beall

JB:ra

P.S. Per federal regulations donations to exploratory committees become political contributions when a candidacy is filed. Should that occur we will send a receipt for your \$100 donation of December 24, 1982.

Exhibit A-7

FRIENDS OF JIM BEALL

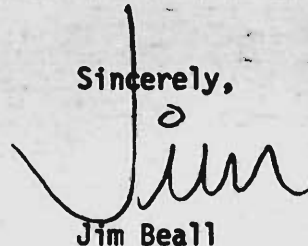
February 3, 1983

Dear Brock:

Thanks again for your timely and generous donation to my exploratory committee.

Your support is encouraging to me and is appreciated more than you know. It will be a great help in the months that lie ahead as we make the contacts and plans which will lead to an ultimate decision on a Congressional race.

Sincerely,



Jim Beall

JB:ra

P.S. Per federal regulations donations to exploratory committees become political contributions when a candidacy is filed. Should that happen we will send a receipt for your donation of \$250 January 2, 1983.

Mr. Brock Adams
Attorney at Law
1000 Potomac Street, N.W.
Fifth Floor
Washington, D.C. 20007

Exhibit A-8

EXHIBIT B
to
STATEMENT OF JIM BEALL
Federal Election Commission MUR 1537

AFFIDAVIT OF MOLLY THOMAS -- APRIL 1, 1983

STATE OF OREGON)
) ss.
County of Clackamas)

I have known Jim Beall for several years and for the past several months have encouraged him to become a candidate for Congress.

Recently I invited a few leading citizens of Clackamas County to my home to meet with Jim. At this time he explained that he was not a candidate for the office, but that he was interested in it.

He explained that he had formed an "exploratory committee" and would run for the office only if he had the support of leading citizens and could raise adequate funds for a successful campaign. He indicated on this occasion that he would make a final decision this summer.

Molly Thomas
Molly Thomas
L. McCarthy Thomas

Subscribed and sworn to before this 5th
day of April, 1983.

James L. Johnson
Notary Public for Oregon
My Commission Expires: 1-10-84

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EXHIBIT C
to
STATEMENT OF JIM BEALL
Federal Election Commission MUR 1537

AFFIDAVIT OF BILL ZAVIN -- APRIL 4, 1983

STATE OF OREGON)
) ss.
County of MULTNOMAH)

In early November, 1982, I offered Jim Beall a donation as a means of encouraging him to run for Congress and offered to contact others on his behalf.

Jim explained that he was interested in looking at this race, but cautioned me that donations would not be eligible for tax credits unless he later definitely decided to file.

Understanding this, I donated to his exploratory activity and have encouraged others to do likewise.

William J. Zavini
Bill Zavini WILLIAM J. ZAVINI

Subscribed and sworn to before this 4th day of April, 1983.

Julianne J. McGuire
Notary Public for Oregon
My Commission Expires: 6-24-85

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EXHIBIT D
to
STATEMENT OF JIM BEALL
Federal Election Commission MUR 1537

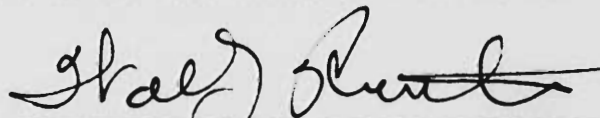
AFFIDAVIT OF WALLY HUNTER -- APRIL 4, 1983

STATE OF OREGON)
) ss.
County of Marion)


Jim Beall made it clear from the start of our association that he wanted it known only that he was "exploring" the potential of becoming a candidate for Oregon's Fifth District seat in Congress. In our meetings and conversations he insisted that there be no suggestion that he was, in fact, a candidate.

We discussed (and he explained) FEC regulations in this regard. He repeatedly said his intent was to explore the potential with regard to attracting funding and organizational and individual support for such a race. Our assignment has been to assist him in accomplishing those goals. We have not purchased media, signed contracts, nor taken the usual steps on behalf of an announced, campaigning candidate.

This firm has not asked for and is not receiving a standard political consulting retainer. Our billings to Friends of Jim Beall are based on office time.


Wally Hunter

Subscribed and sworn to before this 4th
day of April, 1983.


Notary Public for Oregon
My Commission Expires 10-11-83

33040413409

FROM:

RICHARD M. BOTTERI
ATTORNEY AT LAW

NORTON HOUSE
33 N. W. FIRST AVENUE
PORTLAND, OREGON 97209

TO:

Mr. Michael Dymersky
Office of General Counsel
Federal Election Commission
Washington, D.C. 20463



MUR #

1537

DATE

3-11-83

PLEASE PROVIDE THE NAMES AND ADDRESSES OF ALL RESPONDENTS WHICH ARE TO BE SENT A COPY OF THE COMPLAINT. IF A PRINCIPAL CAMPAIGN COMMITTEE IS A RESPONDENT, A CARBON COPY IS TO BE SENT TO THE CANDIDATE. PLEASE PROVIDE THE NAME AND ADDRESS OF THE CANDIDATE AND PUT A "CC" BESIDE THE CANDIDATE'S NAME. IF A CANDIDATE IS A RESPONDENT, A CARBON COPY IS TO BE SENT TO THE CANDIDATE'S PRINCIPAL CAMPAIGN COMMITTEE. PLEASE PROVIDE THE NAME AND ADDRESS OF THE PRINCIPAL CAMPAIGN COMMITTEE AND PUT A "CC" BESIDE THE COMMITTEE'S NAME. PLEASE PROVIDE THIS INFORMATION, ON THIS SHEET, WITHIN 24 HOURS OF RECEIPT OF THIS NOTICE. THANK YOU.

James Beall

10250 SW

Pacific Hwy.

Laake Oswego, Oregon 97034

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 16, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. James Beall
16250 SW Pacific Highway
Lake Oswego, Oregon 97034

Re: MUR 1537

Dear Mr. Beall:

This letter is to notify you that on March 10, 1983, the Federal Election Commission received a complaint which alleges that you 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 1537. 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 in connection with 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.

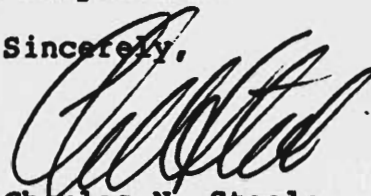
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

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.

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If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter at (202) 523-4057. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

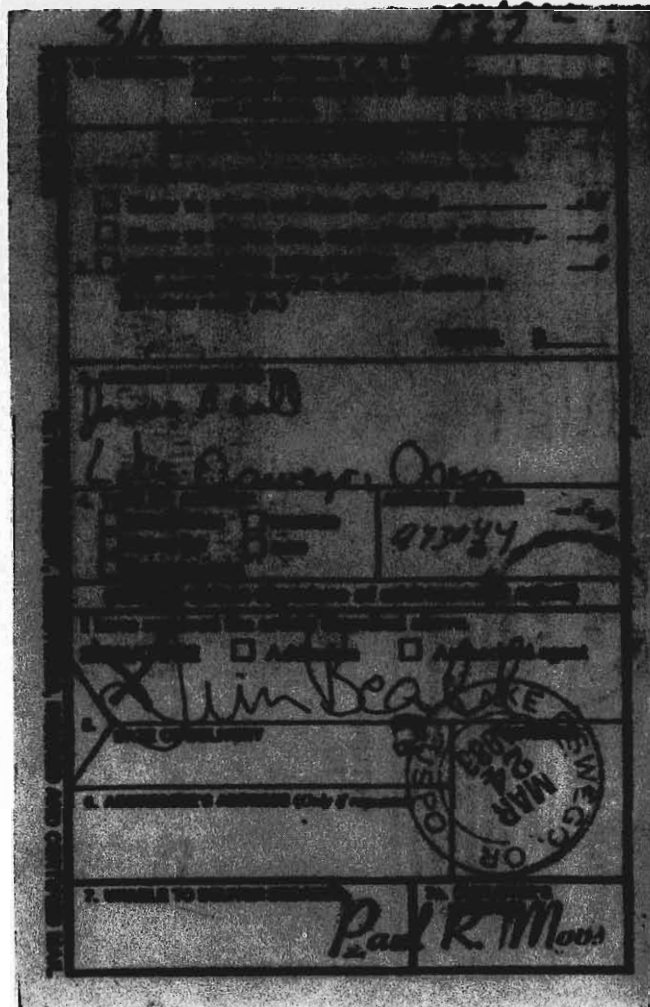
Sincerely,



Charles N. Steele
General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement



63040413413



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 16, 1983

Mr. Richard Sanders
4356 25th Avenue NE #34
Salem, Oregon 97303

Dear Mr. Sanders:

This letter is to acknowledge receipt of your complaint which we received on March 10, 1983, against Mr. James Beall 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 five days.

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. We suggest that this information be sworn to in the same manner as your original complaint. For your information, we have attached a brief description of the Commission's procedure for handling complaints. If you have any questions, please contact Steven Barndollar at (202) 523-4073.

Sincerely,

A handwritten signature in dark ink, appearing to read "Charles N. Steele", is written over the typed name.

Charles N. Steele
General Counsel

Enclosure

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RECEIVED BY THE FEC

Occ# 9676

83 MAR 15 AM: 27

4356 25th Avenue NE #34
Salem, Oregon 97303
March 9, 1983

Office of the General Counsel
Federal Elections Commission
1325 K Street NW
Washington, D.C. 20463

To the General Counsel:

Please accept this sworn and notarized statement as an amendment to the formal complaint I filed Monday, March 7, 1983 against Jim Beall.

I failed to note in that complaint that Mr. Beall is a candidate for Congress in Oregon's Fifth Congressional District. His Oregon residence address is 16250 SW Pacific Highway, Lake Oswego, Oregon 97034.

Sincerely,



Richard Sanders

State of Oregon
County of Marion

The foregoing instrument was acknowledged before me this 9th day of March, 1983 by Richard Sanders.

Calvin D. L. Henry
Notary Public for State of Oregon
My Commission Expires: 1-7-85

3 MAR 15 PM 12:26

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356 25th Ave NE #34
Salem, Oregon 97303

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Office of the General Counsel
Federal Elections Commission
1325 K Street NW
Washington, D.C. 20463



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★ Statesman-Journal, Sunday, December 12, 1982

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RECEIVED
GCC#9642
83 MAR 10 PIZ: 48

4356 25th Avenue NE #34
Salem, Oregon 97303
March 7, 1983

Office of the General Counsel
Federal Elections Commission
1325 K Street NW
Washington, D.C. 20463

To the General Counsel:

Please accept this letter as a formal complaint under Title 2, Chapter 14, Subchapter 1, Section 431, Subsections (1) through (7) against announced candidate for the Federal office of Representative for Congress, James "Jim" Beall.

As shown in the attached newspaper clippings, Mr. Beall has been claiming his candidacy since Dec. 12, 1982. In the attached Blankenbaker column (Salem Statesman-Journal, 12/12/82), Beall is quoted as saying he will have "met the first of his campaign goals: a startup war chest of \$30,000." In the article he is quoted as considering himself a candidate.

In a January 12, 1983 Oregonian column, Beall again says he will meet his \$30,000 goal in January. In a February 22, Willamette Week story, Beall is quoted as saying he has \$25,000, and, including pledges, that figure tops \$35,000."

As of Friday, March 4, 1983 when I called Ms. Suzanne Wilson of the FEC, Mr. Beall was not listed with the FEC as a declared candidate. I believe his failure to file a statement of candidacy under the appropriate sections of Title 2 of the Federal Election Campaign Act places him in violation of that law.

This notarized letter and the supporting newspaper clippings are entered with the FEC as a formal complaint as described in Title 2, Section 437g (A) (1). I swear the above statements are true.

Sincerely,



Richard Sanders

State of Oregon
County of Marion

The foregoing instrument was acknowledged before me this 7th day of March, 1983 by Richard Sanders.

Calvin D. L. Henry
Notary Public for State of Oregon
My Commission Expires: 1-7-85

83040413418

83 MAR 10 P 1:50

Lately, the board hasn't been able to muster a quorum to elect a replacement for Director Sue Harris, who leaves the transit post in January to assume new duties as Salem's mayor.

This Thursday the board will try again to seat five of its members so an election can be held. Maybe the special attraction of an election will be more of a draw than routine business.

During the early years of the transit district's life, board members generally took an active interest. This past year, however, attendance fell off sharply.

The board includes five members elected from geographic regions within the district. Public officials fill the other four slots: two Salem City Council members and one commissioner each from Marion and Polk counties.

through mediocre to poor.

Here are the names of the board members, the number of meetings they attended between January and Dec. 6 (27 were held) and the attendance average: Salem City Councilman John Carney, 24, 89 percent; Harris, 24, 89 percent; Bruce Nopp, 24, 89 percent; Ron St. Jean, 23, 85 percent; Ed Zajonc, 20, 74 percent; Salem City Councilman Jim Rabe, 18, 67 percent; Marion County Commissioner Randy Franke, 15, 56 percent; Gen. Derfler, 12, 44 percent; Polk County Commissioner Ben McGill, 4, 15 percent.

Meetings are a drag, but they go with the job. If transit board members are unwilling to assume their responsibilities, they should turn the job over to someone who will. The lousy attendance figures may force an overdue discussion about the board's size and current structure.

Denny Smith has his races on

3 A political friend puts it this way: "The question when I'm making out my Christmas card list this year is who on it doesn't plan to run against Denny Smith."

0 It sounded like rank exaggeration until I sat down Friday for a cup of coffee with a Democrat who has announced for the 5th District in 1984, only to have another announced candidate sit down at the same table.

8 My morning coffee companion was a thirtyish lawyer, Jim Beall. Besides being a former aide to long-time Congressman Al Ullman, who was unseated by Smith, he has impeccable connections in the nation's capital.

Joining us at the Capitol coffee shop was state Sen. Ruth McFarland, who lost to Smith in his re-election bid this year. She says the defeat has whetted her appetite for another run in '84.

Later in the day, I had lunch with yet another potential candidate: Mike Kopetski, who ran second to McFarland in the Democratic pri-

ron blankenbaker

mary in May.

Had I been so disposed, a few minutes' walk would have put me in contact with at least two more potential Democratic candidates: Marion County District Attorney Chris Van Dyke and Salem lawyer-legislator Peter Courtney.

With the exception of Van Dyke, who is more likely to run for attorney general, all of these people have good reason to run.

McFarland, while outspent by Smith \$288,426 to \$190,227, rolled up 98,852 votes to Smith's 103,906. Put another way, McFarland's votes cost her \$1.92 apiece compared to Smith's \$2.77.

Interestingly, McFarland got that close to Smith while losing in Clackamas County 39,651 to 37,710, supposedly her home base, and taking a

38,876-to-33,833 whipping in Marion County, the second most populous in the district. She lost 9,090 to 7,475 to Linn but tied Smith at 6,750 in Polk and carried Benton 13,134 to 9,539.

With that kind of showing, she has good reason to consider another run. Meanwhile, there are these young lawyers to consider, Beall and Courtney.

Courtney, while better known in the district than Beall, joins McFarland in having a legislative session to consider. While they are legislating, Beall will be off and running.

Beall told me Friday that by early January, he will have already met the first of his campaign goals: a startup war chest of \$30,000, almost all of it raised in Oregon.

He is already paying court to press corps members and community movers and shakers in the district. And he has some impressive credentials to flash on potential supporters who include business types and even Denny Smith too reactionary even their conservative tastes.

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MY GORE
APPROACH TO
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410

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Beall is a lobbyist-lawyer. He spends at least three days a month in Washington, D.C., representing major business clients of the law firm he's joined.

Among the principals in his firm is former Transportation Secretary Brock Adams, who had a near-perfect labor voting record during 10 terms in Congress from Washington state.

Beall served on Ullman's Ways & Means staff and enjoys a continuing relationship with the current Ways & Means chairman, Rep. Dan Rostenkowski, D-Ill.

Obviously, he has the kinds of congressional contacts both business and labor like. He's also reminding folks that long before he was a congressional contender, he was a hometown boy who made good, first as an all-sport athlete at Hillsboro High School and later as an Oregon State University baseball player.

Beall is already canvassing the district. He doesn't intend to be "Jim Who?" for very long.

So what's Denny Smith learning from all this potentially heavy competition? In my view, not much.

In the May Republican primary, Smith ran unopposed. But in Marion County, he collared only 51 percent of the vote.

To knowledgeable political observers, that means 49 percent of the people who know him best voted for none of the above.

A 49-percent undervote in his own party's primary in his own county should have told Smith that his conservatism was too extreme for the Mid-Valley's new 5th District. He apparently disagreed, which is how he got his socks scared off in the general election against McFarland.

Now freshly re-elected, Smith seems as reactionary as ever. If you don't think so, guess who gave the keynote speech at the Oregon John Birch Society's recent gathering.

You've got it. Good old Denny Who.

Ron Blankenbaker is a Statesman-Journal writer.

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WILLAMETTE VALLEY



Jonathan Nicholas

Dueling with Denny

The hardest thing to find in the Willamette Valley this spring will not be a free vegetable patch. It'll be a Democrat who isn't planning to run against Denny Smith. The incumbent congressman is only just launched on his second term in the wake of Ruth McFarland's highly orchestrated but so far unsuccessful campaign, candidate already lining up to duel with Smith in '84.

Ruth McFarland (again), former lawyer-legislator Peter Courtney Mike Kopetski (banned by Portland in last May's primary), and Clatsop County District Attorney Van Dyke have all been blowing (hot) air into trial balloons. But while others are still in their far-position, one dark horse is already out of the gate, busy positioning himself as the guy to beat.

Jim Beall, 32, tells me he will have \$30,000 in his war chest by the end of the month and an army of prominent Democrats, and a surprising number of well-heeled — and understandably anonymous — Republicans are already committed to his cause.

You probably don't know much about Beall yet. That suits him just fine. He plans on spending 1983 perfecting the craft of glass (he's been up to good stuff) by working a candlestick image. A native of Corvallis, he was an all-star athlete at Willamette High before winning a basketball scholarship to Oregon State. Leaving law school at the University of Oregon, he headed for Washington, D.C., and a job with the Justice Department before landing a position as aide to veteran congressman Jim Hansen. He rose to a key position in Hansen's Ways & Means Committee before taking a leave of absence to run Al's (humiliating) 1980 campaign. Subsequently he joined the law practice of Garvey, Schubert, Adams & Barer, opening an office for the firm in Portland. He specializes in solving federal legal problems for Oregonians and spends at least four days each month in Washington, D.C., maintaining his excellent connections on Capitol Hill.

Beall has formed an exploratory committee and signed up John Gary, highly touted manager of political campaigns for Chris Van Dyke and Salem Mayor Sue Harris, to oversee the early going. He expects to have to raise as much as \$500,000 to run against Smith.

"Denny and I have one key philosophical difference," he explains. "I believe government ought to play an active role in coordinating solutions to problems." The key to his success, he believes, will be his penchant for working closely with those elements of the business community that have traditionally been ignored by Democrats. Though Beall himself disdains such labeling, he is clearly in the mold of what media trendies have taken to calling "Patari Democrats." As such, he plans to lead the way in showing us — including old warhorses like Ted Kulongoski — that playing the old Democrat game simply will not work in the 1980s.

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Here Comes 1984

Democratic Hopefuls

SALEM — The 1983 Oregon Legislature may be only six weeks old, but many politicians are already laying plans to get out of here — not just to end the session, but to leave Salem forever. They would like to work in Washington, D.C., instead — specifically, at the expense of Denny Smith, the GOP's U.S. representative in the mid-Willamette Valley's 5th Congressional District.

Spurred by Smith's near defeat in 1982 by state Sen. Ruth McFarland (D-Clackamas County), a number of Democrats think the congressman will be beatable in 1984. Listed in the order of their likelihood to run, they are McFarland; Jim Beall, a 32-year-old lawyer who was McFarland's finance chairman in 1982; and Mike Kopetski, who narrowly lost to McFarland in the 1982 primary and is now a Salem government consultant.

These three seem certain to run. Other possible candidates, varying from likely to maybe, include Labor Commissioner Mary Wendy Roberts, Rep. Peter Courtney (D-Salem) and Sen. Walt Brown (D-Clackamas County).

No Oregon Democratic candidate in memory — certainly not McFarland in her 1982 race — has ever started so early and so fast as Beall, a former aide to then-U.S. Rep. Al Ullman. "We've received contributions of \$25,000 and, including pledges, that figure tops \$35,000," said Beall, in a telephone conversation from Washington, D.C., where his Portland law firm has an office, and where he spends nearly a week a month

politicking.

McFarland, whose name is more than Beall's, has the nucleus of her successful 1982 campaign intact. She has hired Dick Sanders, a speechwriter for former Gov. Bob Straub, as her campaign manager. Sanders says a Valentine's Day fund-raising mailing raised \$3,000. Beall has already raised is more than that. McFarland came up with for her own Democratic primary race, when she narrowly beat Kopetski.

It is too soon to know whether Beall's name will prove an asset or a liability. He and his brother, Bob, were both baseball stars at Oregon State University; Bob Beall subsequently went on to a successful career as a first baseman with the Philadelphia Phillies and the Atlanta Braves in the 1970s. Thus the name Beall is a familiar one in Corvallis, a key 5th District city. However, Oregonians tend to look askance at athletic candidates (unlike Alabama, where Gov. George Wallace once said the late Paul "Bear" Bryant, University of Alabama football coach, was the only man he politically feared).

Former U.S. Olympic team track Coach Bill Bowerman — the apotheosis of personal popularity in Eugene — lost in Eugene when he ran for state representative in the early 1970s. The same year, Portland voters reacted similarly to Indianapolis 500 race-car driver Art Pollard in his dourly unsuccessful legislative race. Neither man had Beall's experience in government, but if their defeats were partly caused by some dislike of "jocks," Beall's chances are hindered.

They may also be hindered by the animosity of the McFarland campaign toward him. Beall started telling people he wanted the 1984 Democratic nomination while he was still working for McFarland, two months before the election was over.

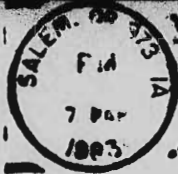
"I was a little angry when he did that," said Sanders, who was McFarland's press aide at the time. "I do have ill feelings about him for that, and don't mind saying it publicly."

Beall replies that the animosity is unfair to him, since, beginning in late 1981, he never made any secret of his interest in the race. "Ruth knew about it, too," he says.

— MARK KIRCHMEIER

56 25th Avenue NE #34
Salem, Oregon 97303

83040413424



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Office of the General Counsel
Federal Elections Commission
1325 K Street NW
Washington, DC 20463



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
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THIS IS THE BEGINNING OF MUR # 1537

Date Filmed 7/1/83 Camera No. --- 2

Cameraman JRL