



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 1766

Date Filmed 3/19/85 Camera No. --- 3

Cameraman AS

85040515202

FEDERAL ELECTION COMMISSION

First GC Circulation, Objection, 12-day Report - Comment SheetsBlue Cards - 2, MUR Assignment Form, Posting Slip,Name/Address Form

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 checked="" 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 type="checkbox"/> (5) Internal Documents | |

Signed

Andrew Martin

date

3/14/85

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
The Republican National Committee)
The Democratic National Committee)
The Republican National State)
Elections Committee)
The Washington State Democratic) MUR 1766
Central Committee)
The Washington State Republican)
Party)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session of January 15,
1985, do hereby certify that the Commission decided by a
vote of 5-1 to take the following actions in MUR 1766:

1. Find no reason to believe the Democratic
National Committee and Paul G. Kirk, as
treasurer, violated 2 U.S.C. § 441a or
§ 441b.
2. Find no reason to believe the Republican
National Committee and William J. McManus,
as treasurer, violated 2 U.S.C. § 441a or
§ 441b.
3. Find no reason to believe the Republican
National State Elections Committee and
Tim Crawford, as director, violated
2 U.S.C. § 441a or § 441b.
4. Find no reason to believe the Washington
State Democratic Central Committee and
Clay S. Beck, as treasurer, violated
2 U.S.C. § 441a or § 441b.

(continued)

85040515204

Federal Election Commission
Certification for MUR 1766
January 15, 1985

Page 2

5. Find no reason to believe the Washington State Republican Party and Larry W. Wells, as treasurer, violated 2 U.S.C. § 441a or § 441b.
6. Approve and authorize the sending of the letters attached to the General Counsel's report dated January 2, 1985.
7. CLOSE THE FILE.

Commissioners Aikens, Elliott, McDonald, McGarry,
and Reiche voted affirmatively for the decision;
Commissioner Harris dissented.

Attest:

1-16-85

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

85040515205



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 24, 1985

Anthony S. Harrington
Democratic National Committee
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036

Re: MUR 1766
Democratic National Committee

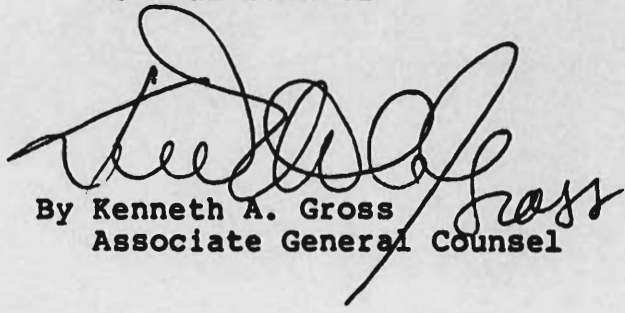
Dear Mr. Harrington:

On September 10, 1984, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on January 15, 1985, determined that on the basis of the information in the complaint, and information provided by your client, 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

35040515206



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 24, 1985

David T. McDonald
Shidler, McBroom & Gates
1000 Norton Building
Seattle, Washington 98104

Re: MUR 1766
Washington State Democratic Central
Committee

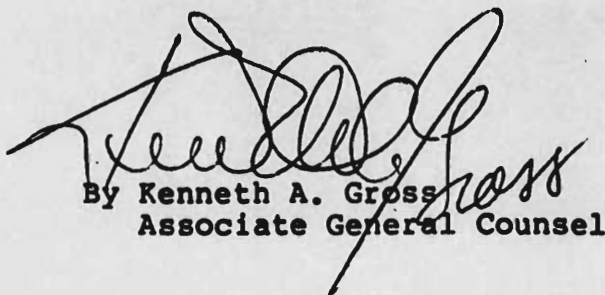
Dear Mr. McDonald:

On September 10, 1984, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on January 15, 1985, determined that on the basis of the information in the complaint, and information provided by your client, 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

85040515207



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 24, 1985

Mark Braden
Republican National Committee
310 First Street, S.E.
Washington, D.C. 20003

Re: MUR 1766
Republican National Committee
Republican National State Elections
Committee
Republican State Committee of
Washington


Dear Mr. Braden:

On September 10, 1984, the Commission notified your clients of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on January 15, 1985, determined that on the basis of the information in the complaint, and information provided by your clients, 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

85040515209



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 24, 1985

Ellen S. Miller
Center for Responsive Politics
#6 E Street, S.E.
Washington, D.C. 20003

Re: MUR 1766

Dear Ms. Miller:

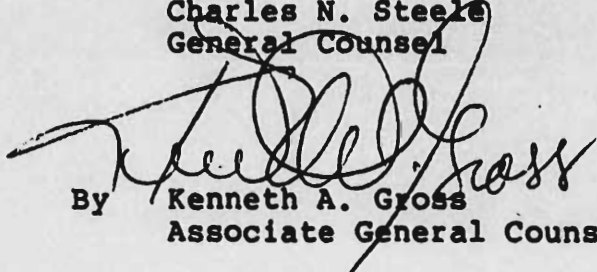
3 5 0 4 0 5 1 5 2 0 9

The Federal Election Commission has reviewed the allegations of your complaint dated August 27, 1984, and determined that on the basis of the information provided in the 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



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Anthony S. Harrington
Democratic National Committee
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036

Re: MUR 1766
Democratic National Committee

Dear Mr. Harrington:

On September 10, 1984, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on , 1985, determined that on the basis of the information in the complaint, and information provided by your client, 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

AM 1/18

35040515210



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

David T. McDonald
Shidler, McBroom & Gates
1000 Norton Building
Seattle, Washington 98104

Re: MUR 1766
Washington State Democratic Central
Committee

Dear Mr. McDonald:

On September 10, 1984, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on , 1985, determined that on the basis of the information in the complaint, and information provided by your client, 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

am 1/18

35040515211



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Mark Braden
Republican National Committee
310 First Street, S.E.
Washington, D.C. 20003

Re: MUR 1766
Republican National Committee
Republican National State Elections
Committee
Republican State Committee of
Washington

Dear Mr. Braden:

On September 10, 1984, the Commission notified your clients of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on , 1985, determined that on the basis of the information in the complaint, and information provided by your clients, 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

1/18 AM

85040515212



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Ellen S. Miller
Center for Responsive Politics
#6 E Street, S.E.
Washington, D.C. 20003

Re: MUR 1766

Dear Ms. Miller:

3 5 0 4 0 5 1 5 2 1 3
The Federal Election Commission has reviewed the allegations of your complaint dated August 27, 1984, and determined that on the basis of the information provided in the 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

am
1/23

SENSITIVE

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

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT 85 JAN 3 A9:43

DATE AND TIME OF TRANSMITTAL BY
OGC TO THE COMMISSION 1/3/85 9:40

MUR NO. 1766
DATE COMPLAINT RECEIVED BY
OGC August 28, 1984
DATE OF NOTIFICATION TO
RESPONDENT September 10, 1984
STAFF MEMBER Maikovich

COMPLAINANT'S NAME: Ellen S. Miller
Center for Responsive Politics

RESPONDENTS' NAME: The Republican National Committee
The Democratic National Committee
The Republican National State Elections
Committee
The Washington State Democratic Central
Committee
The Washington State Republican Party

RELEVANT STATUTES 2 U.S.C. § 441b, § 441a(a), § 441a(d),
§ 431(8)(B)(xii),
and § 431(9)(B)(ix)
11 C.F.R. § 106.1, § 100.7(b)(17),
§ 100.8(b)(18) and § 110.7(b)(2)

INTERNAL REPORTS CHECKS: Republican National Committee
Democratic National Committee
Washington State Democratic Central
Committee (federal account)
Washington Republican Federal
Campaign Committee

SUMMARY OF ALLEGATIONS

Ellen Miller, executive director of the Center for Responsive Politics, filed a complaint (Attachment 1) in which she asserts that the Republican National Committee and its arm, the Republican National State Elections Committee, and the Democratic National Committee raised large amounts of non-federal money which were transferred in 1983 to their respective state

85040515214

organizations, the Washington State Republican Party and the Washington State Democratic Central Committee. These monies were to be used ostensibly for the purpose of state party building. Complainant alleges, however, that for the most part these monies were intended to influence the November 8, 1983, special election in the State of Washington. Thus, complainant charges that contributions not subject to the prohibitions and limitations of the Act were used to influence the 1983 special election in the State of Washington.

Complainant also claims that if the Democratic and Republican Parties are required to apportion a percentage of non-federal monies as expenditures to the Senatorial election in Washington, then party committee expenditure limitations of 2 U.S.C. § 441a(d) may have been exceeded.

Further, complainant alleges that the Republican and Democratic National Committees raised non-federal money which in 1984 was ostensibly channelled nationwide into state and local party building activities. Complainant alleges that these monies in fact affected and should have been allocated to 1984 federal candidates. Complainant charges that this activity resulted in violations of the contribution limitations and prohibitions of the Act.

The thrust of the complaint is that the involvement of national political committees in raising large sums of corporate, union, and other impermissible funds for state party building activities has undermined public confidence that the laws

5
1
2
5
1
5
1
5
0
4
0
5
1
5
8

regulating federal races are being complied with.

Responses to the allegations include a joint submission by the Republican National Committee, the Republican National State Elections Committee and the Washington State Republican Party (Attachment 2), the Democratic National Committee (Attachment 3) and the Washington State Democratic Central Committee (Attachment 4).

1. Facts

As stated in the complaint, a special election was held on November 8, 1983, in the state of Washington to fill the U.S. Senate seat of the late Henry M. Jackson. The Senatorial election was the only federal election in Washington that November.

Non-federal elections were held in cities and counties. In 30 of the 39 counties, the elections were non-partisan. However, as the Democratic National Committee points out, four counties which did hold partisan races (King, Snohomish, Spokane and Yakima) contain almost 60% of the state's population. A total of 9 counties held 28 partisan contests at the county level, the Republican Party being represented by a candidate in 21 of these races. City and local elections were non-partisan, as were two judicial contests.

The Democratic National Committee under a cover letter dated October 17, 1983, transferred \$20,000 from its Non-Federal Corporate Account to the Washington State Democratic Central Committee. The letter stated that the funds were non-federal

35040515216

and should not be used in connection with any federal election. The Democratic National Committee also states in its response that it transferred \$10,000 of federal monies to the Washington State Democratic Central Committee.

Complainant states that the Republican National Committee and its affiliate, the Republican National State Elections Committee, transferred \$67,000 in non-federal funds to the Washington State Republican Party during the six week period prior to the special election. In its response, however, the Republican National Committee clarified that \$45,000 of the \$67,000 transferred to the Washington State Republican Party was federal money, raised under the limitations and restrictions of the Act. Therefore, only \$22,000 in non-federal money was contributed from the Republican National Committee to the Washington State Republican Party.^{1/}

In addition, the National Republican Senatorial Committee, as agent for the Republican National Committee and the Washington State Republican Party, expended \$230,213.45 in coordinated party expenditures between October 20, 1983, and November 22, 1983,

^{1/} The \$22,000 was evidently paid to the Washington State Republican Party by the Republican National State Elections Committee in exchange for a voter registration list. The Republican National State Elections Committee made a \$16,000 contribution to the Washington State Republican Party on September 26, 1983, for "political list development." A second contribution of \$6,000 was reported on October 11, 1983, also for "political list development." The Republican National Committee enclosed in its response a copy of a contract with the Republican Washington State Party directing the State Party to develop a voter registration list for \$24,240.

85040515217

on behalf of the Republican candidate. The Democratic Senatorial Campaign Committee, as agent for the Democratic National Committee and the Washington State Democratic Central Committee, reported \$117,154.22 in coordinated party expenditures on behalf of its candidate.

Complainant also alleges that the national parties have raised and spent substantial sums of non-federal money for party building activities which in effect benefitted and should have been allocated to Presidential and federal candidates in the 1984 election. Since these non-federal monies contain funds not subject to the limitations and prohibitions of the Act, complainant charges that respondents have violated 2 U.S.C. § 441b(a) and § 441a. Complainant included a number of newspaper article citations in which both the Democratic and Republican National Committees are reported as admitting to substantial expenditures of non-federal money. Complainant charges that both parties have initiated fundraising drives in an effort to channel millions of dollars of non-federal money into the 1984 Presidential election, in violation of the Act. Complainant offers no further evidence to support these allegations.

2. Legal Analysis

State and local parties may raise and spend non-federal funds in connection with elections for non-federal candidates. Voter registration and get-out-the-vote drives, however, even though not expressly on behalf of candidates for Federal office,

85040515218

influence federal as well as non-federal elections. Advisory Opinion 1978-10 and 1978-50. Therefore, the Commission has required that expenditures for party building activities must be allocated on a reasonable basis between federal and non-federal elections. Id. and 11 C.F.R. § 106.1(c) and § 106.1(e). The costs allocable to non-Federal elections may be paid out of Party funds raised and expended pursuant to applicable state law. That portion of costs allocable to federal elections, however, must come from funds contributed in accord with the Act, that is funds contributed in accordance with the limitations and prohibitions contained in 2 U.S.C. §§ 441a, 441b, 441c, 441e, 441f and 441g. 2/

There are a number of methods available to apportion between federal and non-federal elections. The allocation must be made on a reasonable basis. 11 U.S.C. § 106.1(c) and § 106.1(e). Allocation formulas considered reasonably by the Commission are

2/ Payments by State and local party organizations for the costs of voter registration and get-out-the-vote activities on behalf of a Presidential or Vice-Presidential candidate are exempt from the definition of an expenditure or contribution under 2 U.S.C. § 431(8)(B)(xii) and § 431(9)(B)(ix) and 11 C.F.R. § 100.7(b)(17) and 100.8(b)(18). However, that portion of the costs of such activities allocable to Federal candidates must be paid from contributions subject to the limitations and prohibitions of the Act.

Further, payments from funds donated by a national committee of a political party to a State or local party committee for voter registration and get-out-the-vote activities do not qualify under this exemption. Rather, such funds shall be subject to the limitations and prohibitions of the Act. 11 C.F.R. § 100.7(b)(17)(vii) and § 100.8(b)(18)(vii).

The intention of the exemption was to permit state and local parties a means to support Presidential and Vice-Presidential nominees who accept public funding and are therefore prohibited from accepting contributions.

85040515219

the proportion of funds expended on Federal and non-Federal elections, the ratio of funds received by party organizations for both Federal election and State and local election purposes; and ratio of number of ballot positions for Federal office in the next election to the number of positions for comparable State offices in the next election. Advisory Opinion 1978-28 and Advisory Opinion Request 1976-72. The Act does not require, however, that the allocation percentage be reported.

I. The Use of Non-Federal Funds contributed by a National Party in a United States Senatorial Election

The Republican National State Elections Committee reported to the Washington Public Disclosure Commission \$22,000 in non-federal contributions to the Washington State Republican Party, ostensibly for the development of a mailing list. Respondent states the list was completed after the special election. If the list is used for party building, however, a federal allocation must be made.

The Republican National Committee also reported \$45,000 in transfers to the Washington State Republican Party from funds raised under the limitations and restrictions of the Act. Considering the large amount of federal money transferred to the state committee, there is no reason to believe that a proper allocation was not made concerning the \$22,000 of non-federal money or that a federal portion was not paid with federal funds.

The Democratic National Committee, under a cover letter dated October 17, 1983, contributed \$20,000 from its non-federal

83040515220

account to the non-federal account of the Washington State Democratic Party. The letter clearly stated the money was non-federal and only to be used in non-federal elections. The Democratic National Committee also made a federal contribution of \$10,000 to the Washington State Democratic Party on November 2, 1983.

8 5 0 4 0 5 1 5 2 2 1
The complaint does not allege how the \$20,000 non-federal contribution was expended. If the funds were distributed directly into non-federal candidates' campaigns, no violation would have occurred. If the funds were expended on party building activities, an allocation must be made for federal activity. Since the Democratic National Committee clearly indicated in its letter to the Washington State Democratic party that the \$20,000 was to be used for non-federal elections, and since the Democratic National Committee also made a federal contribution of \$10,000, there is no reason to believe a reasonable apportionment was not made and paid for with federal funds.

The complainant argues that the party committees may have violated 2 U.S.C. § 441a(d) expenditure limitations in regard to the Senatorial election. The National and State Committees of a political party may each expend two cents multiplied by the voting age population of the state to party candidates for the Senate. 2 U.S.C. § 441a(d) and 11 C.F.R. § 110.7(b)(2)(i)(A). According to the complainant, the maximum amount the national and state party committees of Washington were each able to spend on

the 1983 Senatorial election was \$121,529.70 (or \$243,059.40 total).

The national senatorial campaign committee of a party can be designated as the agent for national and state committees for the purpose of making expenditures allowed by the Act. F.E.C. vs. Democratic Senatorial Campaign Committee, 454 U.S. 27, (1981). Party committees may not make "independent" expenditures of their own, however. Id. and 11 C.F.R. § 110.7(b)(4).

The National Republican Senatorial Campaign Committee reported expenditures of \$230,213.45 on behalf of the Republican candidate in coordination with the Republican National Committee and the Washington State Republican Party, or \$12,845.95 under the total 2 U.S.C. § 441a(d) limit. The Democratic Senatorial Campaign Committee reported \$117,154.22 in coordinated party expenditures, or \$125,905.18 under the 2 U.S.C. § 441a(d) limit.

The argument of the complainant seems to be that the money contributed by both the Democrats and Republicans in Washington was not merely for party building or for other purposes, but to influence the Senatorial election. Of the \$30,000 contributed by the Democratic National Committee (\$10,000 federal money and \$20,000 non-federal money) complainant believes some portion should be attributed to Senate candidate Michael Lowry. Of the \$67,000 contributed by the Republican National Committee and the Republican National State Elections Committee (\$45,000 federal money and \$22,000 non-federal money), complainant believes some portion should be attributed to Senate candidate Daniel Evans.

If the amount to be apportioned exceeded \$125,905.18 for the Democrats or \$12,845.95 for the Republicans, then the 2 U.S.C. § 441a(d) limits would be exceeded.

Expenditures for registration and get-out-the-vote drives by a committee, however, need not be attributed to an individual candidate unless the expenditures were made on behalf of a clearly identified candidate, and the expenditure can be directly attributed to that candidate. 11 C.F.R. § 106.1(c)(2), Advisory Opinions 1978-10 and Advisory Opinion 1978-50. "Clearly identified" is defined in 11 C.F.R. § 106.1(d) to mean that the candidate's name appears, a photograph or drawing of the candidate appears or the identity of the candidate is apparent by unambiguous references.

The complainant does not allege and there is no evidence that either the Republican or Democratic candidates were "clearly identified" in party building activities. Accordingly, there is no reason to believe that expenditures should be attributed to either candidate Evans or candidate Lowry which would cause the respondents to exceed 2 U.S.C. § 441a(d) limitations to a Senatorial candidate.

II. National Party Committee Non-Federal Funding of Presidential and other federal elections.

Complainant next alleged that the Democratic and Republican Parties raised and spent substantial sums of non-federal money

3
2
2
5
1
5
0
4
0
5
1
5
8

for party building on a nationwide basis in 1984, without allocating a proper portion to federal elections which were affected by these efforts.

Under present reporting provisions, committees are not required to report the amount of the federal allocations, but need only report for what purpose the expenditures were made.^{3/} Therefore, it is difficult if not impossible to determine whether a reasonable allocation has been made to avoid the use of prohibited funds in federal elections. Further, we have addressed all specific allegations raised in the complaint concerning the improper use of funds in federal elections. Thus, we recommend that the Commission find no reason to believe the Republican National Committee and its treasurer or the Democratic National Committee and its treasurer violated 2 U.S.C. § 441b(a) and § 441a by using non-federal money in the 1984 federal elections.

^{3/} By letter dated November 5, 1984, Common Cause requested that the Commission institute rulemaking proceedings to establish additional disclosure requirements and other statutory remedies the Commission deems necessary to foster future compliance with the allocation of federal and non-federal monies for party building activities (Attachment 5). On December 18, 1984, the Commission voted to publish in the Federal Register a notice for comments. Thus, the Commission will be addressing the general issues raised in the matter in the context of the rulemaking request.

95040515224

RECOMMENDATIONS

The Office of General Counsel recommends that the Commission:

1. find no reason to believe the Democratic National Committee and Paul G. Kirk, as treasurer, violated 2 U.S.C. § 441a or § 441b;
2. find no reason to believe the Republican National Committee and William J. McManus, as treasurer, violated 2 U.S.C. § 441a or § 441b;
3. find no reason to believe the Republican National State Elections Committee and Tim Crawford, as director, violated 2 U.S.C. § 441a or § 441b;
4. find no reason to believe the Washington State Democratic Central Committee and Clay S. Beck, as treasurer, violated 2 U.S.C. § 441a or § 441b;
5. find no reason to believe the Washington State Republican Party and Larry W. Wells, as treasurer, violated 2 U.S.C. § 441a or § 441b;
6. approve and authorize the sending of the attached letters; and

35040515225

7. close the file.

2 Jan 1965
Date


Charles N. Steele
General Counsel

Attachments

- 1) Complaint
- 2) Response of the Republican National Committee, the Republican National State Elections Committee, and the Republican State Committee of Washington
- 3) Response of the Democratic National Committee
- 4) Response of the Washington State Democratic Central Committee
- 5) Request for Rulemaking
- 6) Letters

85040515228

ATTACHMENT I

①

August 27, 1984

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

The Center for Responsive Politics
6 E Street, S.E.
Washington, D.C. 20003

Complainant,

vs.

The Republican National Committee
320 1st Street, S.E.
Washington, D.C. 20003

The Democratic National Committee
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036

The Republican National State Elections Committee
320 1st Street, S.E.
Washington, D.C. 20003

The Washington State Democratic Central Committee
1701 Smith Tower
Seattle, Washington, 98104

The Washington State Republican Party (The Republican
State Committee of Washington)
9 Lake Bellevue
#203
Bellevue, Washington 98005

mur
1766

85040515227
34 AUG 28 4 9:48
RECEIVED
GENERAL COUNSEL

②

COMPLAINT

I

Introduction

For decades it has been the public policy of the United States to prohibit funds from the general treasury of corporations and labor unions to be used in connection with federal elections. And since the 1970's, it has been the public policy of the U.S. pursuant to the Federal Election Campaign Act of 1971 as amended to regulate contributions and expenditures made for the purpose of influencing federal elections. These laws include limits on the contributions or expenditures that may be made, and require public disclosure of such contributions and expenditures that are made.

The effectiveness and integrity of the federal election laws has become increasingly threatened in the past few years by the growing involvement by the national party committees and their affiliates with the raising and distributing of large, unregulated and undisclosed sums of money ostensibly for the purpose of state party building. National political committees may have a legitimate interest in non-federal elections at the state or local level. The involvement of national political committees in raising

85040515228

rapidly escalating sums of corporate and other impermissible funds under the federal election laws, however, has undermined public confidence that such committees are complying with the laws regulating federal races.

This complaint identifies a particularly clear instance of the use of such non-federal funds to influence a federal election. It illustrates the need for the issuance of additional guidelines by the Federal Election Commission (the Commission) on the proper use by party committees of non-federal funds in a federal election year. It emphasizes the need for better monitoring and reporting procedures so that the Commission and the public can be more confident in the future that non-federal funds raised and disbursed by national and state party committees are not in fact being used to influence federal elections. In light of the upcoming November elections, and the fact that both parties have openly declared their intent to raise and distribute significant amounts of non-federal funds in connection with the federal elections, the urgency of the issue is apparent.

II

The Parties

1. The complainant, the Center for Responsive Politics, is a non-profit bipartisan public interest research organiza-

85040515229

tion incorporated in the District of Columbia. It seeks to promote better public understanding and confidence in Congress as an institution, and to conduct research on issues affecting Congress as an institution, including the laws governing campaign financing. Its Board of Directors are Mrs. Ellen S. Miller (President of the Board), Mr. Tom Bedell (Vice-President of the Board), the Honorable Orval Hansen (Secretary-Treasurer), the Honorable Dick Clark, Mr. George Denison, Ms. Nanette Falkenberg, Mr. Peter H. Fenn, Mr. Jim Guest, Mr. Peter B. Kovler, and the Honorable Hugh Scott.

2. On information and belief the respondents are identified as follows:

(a) The Republican National Committee is the national committee of the Republican Party. It is responsible for the day-to-day operations of the Republican Party at the national level, and also provides support for local and state Republican party committees. It maintains both federal and non-federal accounts for support of candidates on the federal and state or local level.

(b) The Democratic National Committee is the national committee of the Democratic Party. It is responsible for the day-to-day operations of the Democratic Party at the national level, and also provides support for local and

85040515230-

state Democratic party committees. It maintains both federal and non-federal accounts for support of candidates on the federal and state or local level.

(c) The Republican National State Elections Committee is an affiliate of the Republican National Committee established for the purpose of providing campaign funds and support to state and local candidates. It solicits and receives contributions from corporations and individuals for the purpose of influencing the outcome of state and local elections. The Committee is not registered with the Commission.

(d) The Washington State Democratic Central Committee is the Democratic Party committee for the State of Washington. It is responsible for the day-to-day operations of the Democratic Party at the state and local level, and it provides monetary support for federal, state and local Democratic Party candidates in the state. It maintains both federal and non-federal accounts for support of candidates on the federal, state and local level. It files reports with the Commission and The Washington State Public Disclosure Commission.

(e) The Washington State Republican Party (also known as The Republican State Committee of Washington) is the Republican Party Committee for the State of Washington. It is responsible for the day-to-day operations of the

85040515231

6

- 6 -

Republican Party at the state level, and it provides support for local and state Republican Party candidates in the State. It does not report to the Federal Elections Commission, and maintains no federal accounts, although a separate entity known as the Washington State Republican Federal Campaign Committee is registered with the Commission.

III

Background

A. Growing Involvement of National Party Committees in Non-Federal Accounts

In connection with recent Presidential and other federal elections, the national party committees have raised and spent substantial sums of money that could not be contributed directly to a federal campaign. According to a number of press reports, the Reagan-Bush campaign in 1980 raised \$10 to \$15 million in 1980 for such purposes. (Tom B. Edsall, "Reagan Campaign Gearing Up Its Soft Money Machine For 1984", The Washington Post, November 27, 1983, p. A17; Brooks Jackson, "Loopholes Allow Flood of Campaign Giving by Businesses, Fat Cats", The Wall Street Journal, July 5, 1984.) The Democratic Party has said that in 1983 it got over \$700,029 for its state accounts from the labor unions, \$1.3 million from corporations and "a bit more" from

85040515232

7

individuals who had reached their ceiling of \$25,000.

(Jackson, July 5, 1983, supra.)

According to Mr. Mark Braden, General Counsel of the Republican National Committee, the committee has similar plans during the 1984 campaign to raise and contribute non-federal money for activities at the state level. (Peter Grier, "Soft Money and '84 Campaign Financing", Christian Science Monitor, June 19, 1984, p. 4; See also, Thomas B. Edsall, "Democrats' Split Delays Opening of Fund Drive," The Washington Post, August 16, 1984, p. A4). Mr. Robert Strauss, the former Democratic Party leader, has stated "the great untold story is how much soft money the Republicans will have. It will come in carloads. They're really going to pour that money in." (Jackson, July 5, 1984, supra).

The Democrats according to press reports plan a program of their own to channel non-federal money from private donors into state parties. (Thomas B. Edsall, "Convening Democrats Target Core Donors", The Washington Post, July 12, 1984, p. A4; "Campaign 1984: Democrats Seek to Raise \$26 Million to \$42 Million in Combined Victory Fund", Bureau of National Affairs, Daily Executive Reporter, July 20, 1984, p. LL-2; Thomas B. Edsall, August 16, 1984, supra). Top Democratic National Committee officials have publicly

85040515233

pledged "a strong [soft money] effort" in 1984. (Grier, June 19, 1984, supra).

Campaign officials have made no secret of the fact that in states not prohibiting it, money for these efforts will come from corporations and labor organizations, or individuals, who could not contribute directly to federal campaigns. The General Counsel of the Republican Party has said most of that party's non-federal funds will come in 1984 from individuals who are prohibited by the federal election laws from giving additional money directly to federal candidates. (Grier, June 19, 1984, supra.)

The National Director of the Democratic National Committee, Mr. Michael Steed, has said in regard to the Democratic effort in 1984 that money will be raised from corporations and labor unions. (Thomas B. Edsall, "The Clamor for Soft Money", The Washington Post National Weekly Edition, April 30, 1984, p. 12.) He openly concedes that the technique also allows individuals who have otherwise contributed the maximum amount to federal campaigns to continue to give. He has explained "we tell our people [fund raisers] that no one can max out, because once you're maxed out federally, you can switch to nonfederal soft money." (Ibid.) Mr. Tim Finchem, Deputy Campaign Chairman of the Democratic National Committee and Deputy Campaign Chairman of the Mondale-Ferraro Campaign Committee, was

95040515234

recently quoted in the press as saying the Democratic National Committee will raise \$4 million to \$5 million in non-federal funds in connection with the fall campaign. (Edsall, August 16, 1984, supra.)

Campaign officials have publicly conceded the connection between such soft money campaigns and the federal races. According to Mr. Carlos Perez, Chairman of the GOP Hispanic registration effort in Florida known as Florida VIVA 1984, "What is at stake, is the reelection of President Reagan" (Thomas B. Edsall, April 30, 1984, supra). Dr. Tirso del Junco, Head of VIVA 1984 said concerning a 1982 effort in California funded in part by \$9.2 billion of non-federal money that "there is no doubt Pete Wilson the United States Senator benefited from this . . . On the weekend before the election we had 1,875 phones operating. We made some 1.8 million telephone calls." (Ibid). According to Mr. Tim Finchem, the Mondale campaign plans to establish non-federal money committees in many states as subsidiaries of the state Democratic Party in order to assist Mr. Mondale. According to Mr. E. William Crotty, co-chairman of a major Democratic effort to raise non-federal funds, "the money never goes directly to Mondale, but it helps indirectly." (Thomas B. Edsall, July 12, 1984, supra). Similar views have been attributed to a Democrat working on that party's \$1.4 million non-federal drive in Texas. ("Soft Money Will

85040515235

(10)

Finance Voter Signup", Thomas B. Edsall, The Washington Post, August 12, 1984, p. A4.)

It is hardly credible in light of the heavy investment of time and money by federal campaign officials in raising unregulated funds in the midst of a federal campaign that such contributions are unconnected with a federal election, or that their sole use is for non-federal purposes. The sharply increased interest in state party building in Presidential election years, and the statements of federal campaign officials reported in the press, suggest the funds are in fact contributed in connection with, and for the purpose of influencing, federal elections.

B. The Threat to the Integrity of the Federal Election Laws

The Commission has made it clear in the past that non-federal funds raised by the national party committees must be used "for the exclusive and limited purpose of influencing the nomination or election of candidates for non-federal offices." They may not be used partly in connection with, or to influence, a federal election (See AOR 79-17, July 16, 1979, pp. 7-8).

Nevertheless, the party committees continue to help raise and expend substantial sums of non-federal funds which federal party officials openly concede are for the purpose

85040515236

(11)

of influencing indirectly the Presidential race, or other federal elections. It is especially ironic that national party committees continue to speak openly of their direct involvement in raising non-federal funds to support voter registration and get out the vote drives by state party committees on behalf of a Presidential candidate, when Commission regulations specifically exclude national party committees from disbursing even federal funds to state parties who are carrying out these activities pursuant to the specific provisions of the law. (See 11 C.F.R. 100.7(b)(17)(vii) and 11 C.F.R. 100.8(b)(18)(vii)).

It is the practice of the party committees to try to isolate the non-federal funds used for party building activities from their impact on federal elections by matching such funds with other funds regulated under the federal election laws. In theory, the latter pays for the portion of the activities attributable to the federal races.

In some cases, it may be unrealistic to conclude that any of the party-building activity is unconnected with the federal election, or that any of the efforts can be attributed solely to the purpose of influencing the non-federal election. In such cases, any use of non-federal funds constitutes a serious violation of federal election laws.

85040515237

Even if the federal and non-federal activities can be separated, achieving a proper allocation of expenditures between the federal and non-federal campaign is essential in order to avoid wholesale violation of the federal election laws. In fact, the party committees appear to be seriously underestimating the proportion of the activity attributable to the federal elections. For example, the Republican Party in California plans to spend a total of \$10.5 million this year on voter registration, get out the vote efforts, and other party-building activities which will assist President Reagan and the other federal candidates in the state in November. According to the state party's executive director, Mr. John Meyers, only 30% of the funds for the effort will come from federal accounts. Seventy percent of the funds used in activities assisting the federal candidates as well as state candidates will come from non-federal funds. (Edsall, April 30, 1984, supra.)

As discussed in detail below in connection with the 1983 election in Washington State, this practice continues despite the clear requirement of the Commission that in making the allocation, the number of federal candidates be weighed more heavily than non-federal candidates. (See e.g. AOR 76-72, October 6, 1976, p. 1).

The failure of the national or state party committees to file any regular reports with the Commission showing the ratio between the federal and non-federal funds spent on a

85040515238

party building activity makes it difficult for the Commission, and virtually impossible for the public, to determine whether the party committees are in fact employing reasonable allocation formulas that isolate all non-federal funds from any use in connection with a federal election. There is no readily apparent way for the Commission to confirm, absent a time-consuming audit, that the increasing amounts of non-federal funds being raised by party committees are being confined to non-federal purposes, and are not being used in connection with a federal election. All the public evidence and statements by party officials in fact suggest the contrary.

The actions of the respondents in connection with the U.S. Senate race in Washington in 1983 illustrate the illegal impact non-federal funds now have as a practical matter on federal elections.

IV

Specific Violations of Law Alleged

On November 8, 1983 a special election was held in the State of Washington to fill the empty seat in the U.S. Senate of the late Henry M. Jackson. That federal election was the only federal election in Washington state that November. There were in addition only a scattering of

85040515239

(14)

minor, non-federal elections at the county level. For most of the counties in the state, the only election of any kind involved the U.S. Senate race. For all practical purposes, the U.S. Senate race far outweighed in importance these miscellaneous local races in terms of the attention devoted to the races by the press, and the impact of the races on the receptivity of citizens to registration or get-out-the vote drives. Yet, both national political committees contributed substantial amounts of non-federal money just before the election to fund "party building activities" ostensibly in support of such local races. The use of such non-federal funds by the national committees affected the U.S. Senate race, and violated a number of basic provisions of the federal election laws.

A. The Facts

On information and belief the complainant states the following:

1. According to the Elections Division of the Secretary of State's Office of the State of Washington, there were no elections for federal offices in November, 1983 except for the one federal election to fill the vacant seat of the state of Washington in the U.S. Senate.
2. According to the records of the Secretary of State's office, no statewide elections were held at the non-federal level in November, 1983. A total of 9 counties held 28

85040515240

partisan contests at the county level for such offices as coroner (Spokane County), assessor, auditor, and sheriff (Whatcom County), and county council (King and Snohomish County). The Republican Party was represented by a candidate in only 20 of these 28 local races. Additional city and local races were non-partisan in nature, as were two judicial races held at that time. A complete list of all non-federal, partisan elections is attached as Attachment A to this complaint.

3. Except for the U.S. Senate race, there were no partisan elections of any type in 30 of the counties, or over 75% of the state.

4. The records of the Public Disclosure Commission of the State of Washington indicate that on October 18, 1983 the Democratic National Committee contributed \$20,000 from its Non-federal Corporate Account to the Washington State Democratic Central Committee. Mr. Michael R. Steed, National Director of the Democratic National Committee, forwarded the money to Mrs. Karen Marchioro, Chairman of the Washington Democratic Party in a letter dated October 17, 1983. The letter states "these funds are drawn from our corporate non-federal account maintained for use in connection with state and local elections in states where such funding is permissible. Thus, the funds are transferred to the state party subject to the express condition that they

35040515241

16

- 16 -

be used only for such purposes and not in connection with any federal election. . ." A copy of the letter is attached as Attachment B to this complaint.

5. According to the records of the Public Disclosure Commission of the State of Washington the National Republican Party or its affiliates made the following contributions to the non-federal accounts of the Republican Party in the state of Washington:

(a) On September 26, 1983 the Republican National State Elections Committee contributed \$16,000 to the Washington State Republican Party for "political list development."

(b) On October 11, 1983, the Republican National State Elections Committee contributed \$6,000 to the Washington State Republican Party.

(c) On October 28, 1983 the Republican National Committee contributed \$35,000 for "party-building" to the Washington State Republican Party.

(d) On October 31, 1983 the Republican National Committee contributed \$10,000 for "party-building" to the Washington State Republican Party.

6. None of the contributions described above were reported by the respondents on Commission Form 3X as disbursements, and must therefore be considered to be non-federal funds raised and expended without regard to the limits and reporting requirements of the federal election laws.

85040515242-

7. Thus, in the space of six weeks prior to the special election to fill the empty Senate seat, the two national party committees and their affiliates contributed a total of \$87,000 in non-federal funds to the Washington State parties ostensibly for the sole purpose of assisting the parties' candidates in an extremely limited number of local races such as coroner, sheriff, and county commissioner.

8. Complainant has reason to believe that the non-federal funds contributed by the national party committees were used for such traditional activities as get out the vote efforts on election day, and that the ratio of federal funds matched with the non-federal funds expended on these activities was approximately one-quarter, and in any event was less than one-half, of the total amount of federal and non-federal funds expended on these activities.

9. On July 16, 1984, complainant sent identical letters to Mrs. Karen Marchioro, Chairman of the Washington State Democratic Central Committee and to Ms. Jennifer B. Dunn, Chairman of the Washington Republican State Committee, requesting additional information obtainable only from them. A copy of one of these letters is attached as Attachment C to this complaint. The letters requested further details, for example, on exactly how the non-federal money contributed from the national party committees was used, and exactly how much federal money was used to match

85040515243

the non-federal expenditures. The same letters were also sent to the Republican and Democratic county commissioners of King County, Snohomish County, and Whatcom county. None of the committees to whom the request was sent has provided complainant to date with any of the information requested in the letters.

10. The National Republican Senatorial Committee, according to the records filed with the Commission, expended in 1983 \$230,213.45 in coordinated party expenditures between October 20, 1983 and November 22, 1983 on behalf of the party's candidate for the U.S. Senate, Mr. Daniel Evans.

11. The Democratic Senatorial Campaign Committee, according to the records of the Committee filed with the Commission, expended \$117,154.22 in coordinated party expenditures on behalf of the party's candidate for the U.S. Senate, Mr. Michael E. Lowry.

12. The maximum amount the national and state party committees were each permitted to expend under 2 U.S.C. 441a(d) on behalf of the party's candidate for the U.S. Senate seat from the state of Washington in 1983 was \$121,529.70.

B. The Law

The above facts constitute ample grounds for the Commission finding reason to believe that violations of the federal elections laws have occurred, and making a full investigation of the record. (2 U.S.C. 437g). The facts

85040515244-

suggest that respondents may have violated a number of provisions of the federal election laws including the following:

1. The contribution and expenditures of the non-federal funds described above were funds in fact contributed and expended in connection with the federal election to fill the U.S. Senate seat. The use of such funds obtained from corporate treasuries or labor unions in connection with a federal election violated 2 U.S.C. 441b(a).
2. None of the non-federal funds contributed or expended by respondents as described above were for the exclusive purpose of influencing non-federal elections in Washington State in 1983 as required by Commission policies. (See e.g. AOR 79-17.) Instead, the purpose of all the contributions and expenditures was at least in part to influence the election to the U.S. Senate held at the same time. Respondents failure to include the funds described above in its reports to the Commission, even though they were used to influence a federal election, violated 2 U.S.C. 434, as well as other basic provisions of the federal election laws.
3. Even if the Commission were to conclude that the non-federal funds were in fact used solely in connection with, and solely for the purpose of influencing, non-federal elections, failure to match the non-federal funds with a sufficient ratio of federal funds violated Commission require-

85040515245

ments that such allocation be made on a reasonable basis that attributes to each candidate the benefit reasonably expected to be derived therefrom. (11 C.F.R. 106) In recognition of the dominant role the U.S. Senate race played as the only statewide race in the November election, a portion in excess of 75% of such party building activities should have been attributable to the federal election. Failure to adopt such a reasonable allocation formula resulted in substantial sums of unregulated and unreported non-federal funds in fact being used to influence the outcome of the federal election in basic violation of the limitations and reporting requirements of the federal election laws. (See e.g. AOR 78-10, Part A, August 29, 1978).

4. Since the funds described above should in whole or in part have been allocated to the federal election, they in fact constituted coordinated party expenditures by the national party committees. Since there was only one federal race in Washington State at the time, the coordinated expenditures were allocable to the party's candidates for the Senate as activity conducted specifically on his behalf. (See e.g. AOR 78-10, Part A, August 29, 1978, p. 2).

Respondents violated federal election law by failing to report such expenditures to the Commission, and by using for such purposes funds raised without regard to the requirements of the federal election laws.

85040515246

(21)

- 21 -

5. Even if the non-federal funds described above had in fact been raised from sources, and in amounts, permitted by the federal election laws, their use in Washington State as coordinated party expenditures would have exceeded, at least in the case of the Republican Party, the amount each national party committee was permitted to spend in the election pursuant to 2 U.S.C. 441a(d).

V

Relief Sought

On the basis of the foregoing, complainant requests that the Commission conduct a prompt and immediate investigation of the facts stated in this complaint.

The Commission's responsibility to enforce the federal election laws requires it to investigate this complaint thoroughly, and to take immediate steps to make future violations of the federal election laws less likely. The latter should include clearer guidelines as to how to allocate party building activities between federal and non-federal purposes, and the imposition of additional reporting requirements so that the Commission and the public can determine whether the allocations between federal and non-federal accounts are in fact realistic. The Commission has ample authority to impose such requirements as part of its

85040515247

authority to enforce the federal election laws. (See e.g. 2 U.S.C. 437d(a)(8) and 438(a)(8)).

In view of the publicly announced intention of both the Republican National Committee and the Democratic National Committee to continue the practices cited herein, and to directly or indirectly raise and contribute substantial amounts of non-federal funds in connection with the Presidential elections this November, it is imperative that this matter be investigated on an emergency basis and any necessary clarification of current Commission policies issued as much in advance of this year's elections as possible.

Unless this is done, public confidence in the integrity of the federal election laws will continue to be undermined.

In particular, complainant respectfully requests that the Commission -

- a) Conduct an immediate and thorough investigation of the conduct of the respondents in connection with the 1983 election.
- b) Enter into a prompt conciliation with respondents to remedy the violations of law that occurred in 1983, and impose any penalties appropriate.
- c) Issue whatever clarification of the law may be necessary in order to provide better guidance to respondents and other political committees as to (i) the circumstances under which non-federal

85040515248

funds may be used at all for such party building activities as voter registration and get out the vote campaigns when such activities inevitably affect as well the federal portion of the election; and (ii) the ratios that must be used in allocating party building activities between federal and non-federal purposes.

- d) Obtain the agreement of the national and state party committees and their affiliates to observe whatever recordkeeping and reporting requirements prior to the 1984 federal elections as are necessary to make sure that illegal use of non-federal funds does not occur in connection with the 1984 federal elections.
- e) Adopt on an emergency basis a special program to monitor the activities of the national party committees related to party building, so that the Commission and the public can be sure prior to the November election that non-federal funds are not being used in connection with, or to influence, the federal elections.

85040515249

(24)

Verification

The complainant swears that the allegations and other facts in the complaint are true and correct to the best of her knowledge, information and belief.

By: Ellen S. Miller
Ellen S. Miller
Executive Director
Center for Responsive Politics
6 E Street, S.E.
Washington, D.C. 20003
(202)544-7966

Of Counsel:

Paul S. Hoff
Wellford, Wegman, Krulwich
Gold & Hoff
1775 Pennsylvania Avenue, N.W.
Washington, D.C., 20006
(202)775-0200

Subscribed and sworn to before me
this 2nd day of August, 1984

Victoria L. Jennings
Notary Public

My Commission expires August 31, 1988

85040515250

ATTACHMENT A

WASHINGTON STATE ELECTIONS - NOVEMBER 1983

Counties With No Partisan Races

- | | | |
|------------------|---------------|------------------|
| 1. Adams | 11. Island | 21. Pend Oreille |
| 2. Benton | 12. Jefferson | 22. Pierce |
| 3. Chelan | 13. Kitsap | 23. San Juan |
| 4. Clark | 14. Kittitas | 24. Skagit |
| 5. Columbia | 15. Klickitat | 25. Skamania |
| 6. Douglas | 16. Lewis | 26. Stevens |
| 7. Franklin | 17. Lincoln | 27. Thurston |
| 8. Garfield | 18. Mason | 28. Wahkiakum |
| 9. Grant | 19. Okanogan | 29. Walla Walla |
| 10. Grays Harbor | 20. Pacific | 30. Whitman |

Counties With Partisan Races

1. Asotin County - Treasurer^{*/}
2. Clallam County - Commissioner
3. Cowlitz County - State Senator, 18th District; State Representative, 18th District; County Assessor^{*/}
4. Ferry County - Commissioner, District 2
5. King County - Assessor; County Council Districts 2, 4, 6, 8^{*/}
6. Snohomish County - Executive; County Council Districts 1, 2, 3, 4, 5; Assessor; Auditor; County Clerk; Sheriff; Treasurer^{*/}
7. Spokane County - Coroner
8. Whatcom County - Assessor; Auditor; Sheriff^{*/}; Treasurer[—]
9. Yakima County - Auditor^{*/}

^{*/} No Republican Party candidate listed in these races.

**DEMOCRATIC
NATIONAL COMMITTEE**

1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

ATTACHMENT B

Charles T. Manatt
Chairman

October 17, 1983

(26)

Karen Marchioro, Chairman
Washington Democratic Party
1701 Smith Tower
Seattle, Washington 98104

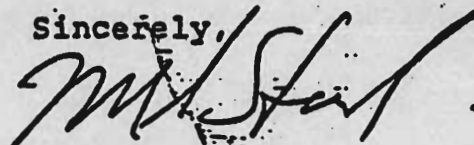
Dear Karen:

Enclosed please find a check in the amount of \$20,000. The Democratic National Committee is honored to make this contribution to the Washington State Democratic Central Committee.

These funds are drawn from our corporate non-federal account maintained for use in connection with state and local elections in states where such funding is permissible. Thus, the funds are transferred to the State Party subject to the express condition that they be used only for such purposes and not in connection with any federal election and subject to your determination that such use is in accordance with applicable state laws.

Please note that the State Party is required, within ten days following receipt of this contribution, to file a Form C-5 with the Washington Public Disclosure Commission. Failure to do so may result in the forfeiture of these funds to the state.

Sincerely,



Michael R. Steed
National Director

MRS/lm
Enclosure

85040515232



(27)

July 16, 1984

Jennifer B. Dunn
 Chairman
 Washington Republican State Committee
 9 Lake Bellevue, #203
 Bellevue, Washington 98005

Dear Ms. Dunn:

The Center for Responsive Politics is a non-profit, public interest bi-partisan organization concerned with rebuilding confidence in the legislative branch. One of the major activities of the Center is a research effort in the area of campaign finance. We have chosen several states, among them Washington State, to study the nature of state party building activities, local grass-roots get-out-the vote drives, and building of support for local candidates. We are interested in the relationship of national parties to such activities, and in the funding mechanisms for locally-oriented political activities.

In November, 1983, the State of Washington held an election, the primary purpose of which was to elect a Senator to fill the then vacant U.S. Senate seat of the late Henry M. Jackson. We are aware that other local races were contested at the same time. It is our understanding that nine counties had approximately 30 partisan races at issue. It is our understanding that the individuals who ran for city offices were elected on a non-partisan basis. We are also aware that there was one special election for a State House and State Senate seat, and two Court races.

In our attempt to understand the kind of support which both the state and the national Republican party provides in this kind of election we would very much appreciate your cooperation in providing to the Center, in a timely fashion, the following information and materials:

I. (1-5) Nature and Sources Contributions

1. The amount, the nature, the timing and total of contributions pursuant to Section 441 a (d) from the Republican National Committee party, the Republican Senatorial Campaign Committee, and/or the Republican Congressional Campaign Committee for the calendar year 1983.

85040515253

28
2. The amount, the nature, the timing and total of all additional contributions from the Republican National Committee party, the Republican Senatorial Campaign Committee, and/or the Republican Congressional Campaign Committee for the calendar year 1983, and the purpose of such contributions.

3. A list of all out of state donors who contributed during calendar year 1983 and the amount contributed.

4. The names of and purposes of accounts into which each of these funds were placed.

5. The cash on hand from all sources from each of the Committee's federal and non-federal accounts on September 30, 1983, December 30, 1983, and November 30, 1983.

II. (6-7)

In connection with each of the contributions described in 1-3 above, we would appreciate the following additional information, broken down to identify the type of funds used in full or in part in each case:

6. The precise expenditures allocated to each contribution and the type of services provided. For example, if funds were spent on consultant or computer services we would appreciate an indication of specific services provided and your reason for identifying them as federal or non-federal in purpose.

7. Copies of any campaign material in whole or in part by any of the contributions.

We would appreciate copies of any of your records which would help us better understand the nature of the support which you received.

On behalf of the Center, let me thank you for your assistance in our research. We would very much appreciate your response to these questions as soon as possible. If you have any questions or need further clarification regarding these matters, please do not hesitate to call.

Sincerely,

Ellen S. Miller
Executive Director

ESM/lrw
cc. Monograph
List of Board of Directors

85040515254

Republican
National
Committee

E. Mark Braden
Chief Counsel

Catherine E. Gensior
Michael A. Hess
Deputy Chief Counsels

ATTACHMENT II

(29)

October 1, 1984

10011 P1:48

Charles N. Steele, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

RE: MUR 1766

Dear Mr. Steele:

This letter is in response to the complaint by the Center for Responsive Politics which alleges, in part, that the Republican National Committee (RNC), the Republican National State Elections Committee (RNSEC), and the Republican State Committee of Washington (RSCW) may have violated certain sections of the Federal Election Campaign Act of 1971, as amended.

This letter is a consolidated response of the Republican Committees named in the complaint, pursuant to 11 CFR 111.6(a). This response will demonstrate clearly to the Commission that no further action should be taken against any Republican Committees in connection with the complaint because the complainant, the Center for Responsive Politics, fails to meet the statutory and regulatory

requirements of the Federal Election Commission. The complaint does not contain a clear and concise presentation of facts which describe a violation of a statute or regulation over which the Commission has jurisdiction. Additionally, the complaint fails to provide any documentation supporting the alleged facts contained in the complaint. [2 USC Section 437g(a)(1); 11 CFR 111.4(d)(3)&(4)].

The overwhelming majority of the complaint is totally irrelevant to the Commission's enforcement authority or procedures and is without relevance to any factual or legal issues which could constitute a violation of the FECA. The first thirteen pages of the complaint and the section captioned, "Relief Sought," seem to be primarily prayers for changes in the Commission's regulations and the Federal Election Campaign Act, drafted for public relations purposes. They are not material to any alleged violations of the Federal Election Campaign Act by the Republican respondents in 1983.

The only statements contained in the "Facts" section of the complaint alleging relevant "facts" to possible violations by these respondents are contained primarily on page 16, paragraph 5. The RNSEC did make two transfers to the RSCW in September and October of 1983 in the aggregate of \$22,000. The RNC did transfer to the RSCW \$35,000 on October 20, 1983, and \$10,000 on October 26, 1983.

85040515236

The additional "facts" contained in the complaint are either irrelevant or erroneous, or both. The complaint in paragraph 6, on page 16, erroneously states that these transfers from the RNC and RNSEC: a) were contributions, b) were all from funds not raised under the limitations and restrictions of the Federal Election Campaign Act, and c) were not reported on appropriate disclosure forms to the Federal Election Commission (FEC).

7
5
2
5
1
5
0
4
0
5
8

The transfers to the RSCW from the RNC are not considered contributions by the Commission pursuant to 11 CFR 102.6(a)(1)(ii) and (a)(2); 110.3(c). They are party transfers. The transfers to the RSCW on October 26, 1983, and October 20, 1983, from the RNC are properly reported to the FEC. The funds transferred on these dates represent monies raised under the limitations and restrictions of the Federal Election Campaign Act. I draw the Commission's attention to the FEC report of Republican National Committee Expenditures, dated November 14, 1983. A photocopy of the appropriate page is attached to this response for your convenience. (Appendix A) The RNC Expenditures accepts no funds which are not permitted under the FECA.

The transfers by the RNSEC to the RSCW were not reported to the Federal Election Commission because they were made by a committee which does not make expenditures for activities or contributions to political committees which support or oppose

candidates for federal office. (See Affidavit by Jay C. Banning.) For this reason, there is no requirement for the RNSEC to report to the Commission.

The RSCW accepted these four transfers (two from the RNSEC and two from the RNC) into the account or committee it maintains to exclusively support its activities for candidates for state and local office. Receipts for such accounts need not be reported to the Federal Election Commission pursuant to the Commission's regulations (11 CFR 102.5). The RSCW did fully disclose those receipts pursuant to Washington State statute. The State Party's campaign finance disclosure report is available to anyone wishing to examine it. (See Revised Code of Washington, Section 42.17.030 through 42.17.140).

In paragraph 7, the complainant states that funds transferred to the RSCW were "ostensibly for the sole purpose of assisting the party's candidate in an extremely limited number of local races.." On what observations, circumstances, statements, or facts does the complainant base this conclusion? Obviously, the complainant is working under the illusion that the only activity of the Washington State Republican Party in 1983 was in behalf of these local races. State political parties have ongoing programs and activities and do not solely operate for the purpose of assisting candidates solely in elections in that particular calendar year. Apparently

85040515258

the complainant will be surprised to learn that in 1983 the RSCW was undertaking preparations for the 1984 campaign. This "fact" from the complaint shows an incredible lack of knowledge and must raise questions about every statement made by the complainant.

The complainant states in paragraph 8... "it has reason to believe that the nonfederal funds contributed by the national party committees were used for such traditional activities as get-out-the-vote efforts on election day." The only nonfederal funds transferred by a national Republican Party Committee to the Washington Republican Party were pursuant to an agreement to develop a mailing list for the State Party (see Attachment B and Affidavit of Jennifer Dunn). This program was conceived, designed, and commenced prior to the tragic death of Senator Jackson. It could not have been planned with the intent of influencing the special election to fill the vacancy, unless the complainant is alleging clairvoyance by the respondents. The list was completed after the date of the special election (see Affidavit of Jennifer Dunn). The nonfederal funds transferred to the Washington State Republican Committee from the RNSEC were not used in connection with the special election to fill the Senate vacancy. The complainant makes no reference to other nonfederal transfers, contributions, or expenditures from the national party to the state committee. The Commission, pursuant to its regulations, must ask, "What reason to believe?" The complainant provides no reasons, no

9
5
2
5
1
5
1
5
0
4
0
5
0
4
0
8

facts, to support its statement that nonfederal funds contributed by the national Republican committees were used for 1983 Election Day activities.

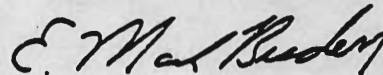
Paragraph 9 is listed in the "facts" presented by the complainant apparently to indicate their good faith efforts to procure information to support their allegations. The complainant cannot believe the failure of a state party chairman to respond to a single letter requesting voluminous information is a violation of the Federal Election Campaign Act. The Washington State Republican Party files detailed and complete campaign finance disclosure reports with the appropriate state agency in Washington. These reports fully disclose the financial activities of the State Committee's nonfederal account. The Washington State Republican Party files detailed and complete campaign finance reports of its federal committee with the FEC. The RNC files detailed and complete campaign finance reports of its activities with the FEC. The RNSEC files complete financial disclosure reports in the states in which it makes expenditures or contributions for state or local campaign activity. It is clear that the complainant did not examine these disclosure reports. The receipts and disbursements of these committees are available for public review. The complainant never availed itself of an opportunity to review this material preferring to file a complaint saying they had reason to believe these organizations have violated the law, but without stating the reason nor attempting to gather facts to support a reason.

85040515260

Paragraphs 10, 11, and 12 are irrelevant to these respondents or any allegation of illegality by them. It is unnecessary to examine the complaint section entitled, "The Law," because the complaint fails totally to provide any "Facts" on which to base any analysis.

Every disbursement, receipt, transfer, contribution, or expenditure of each of these respondents is available for public review. The complaint fails to recite a single disbursement, receipt, transfer, contribution, or expenditure of these respondents which violates the FECA. The complaint fails to recite facts which describe a violation of the FECA. For these reasons, the complaint fails to meet the Commission requirements and should be dismissed without further action.

Very truly yours,



E. Mark Braden

EMB:jd
Enclosures

85040515261

STATE OF WASHINGTON
COUNTY OF KING
s.

JENNIFER DUNN, Being first duly sworn, on oath deposes and says,

1. That I am Chairman of the Republican State Committee of Washington a/k/a/ The Washington State Republican Party and authorized to make affidavit on its behalf.
2. That at no time during the calendar year of 1983 were funds transferred to the Washington State Republican Party from the Republican National Committee or any other affiliated organization of the Republican Party used or authorized by me to be expended on behalf of the U.S. Senate Election of 1983 in the State of Washington.
3. Also, that the Washington State Republican Party List Development Program which began in January of 1983 and was completed in July of 1984 was not used nor capable of being used in the U.S. Senate Election of 1983 in the State of Washington.

Jennifer B. Dunn

Subscribed and sworn to before me this 28 day of September 1984.

David L. Hille

Notary Public in and for the State of Washington residing at

Seattle

85040515262

STATEMENT OF DESIGNATION OF COUNSEL

37

MUR _____

NAME OF COUNSEL: E. Mark Braden

ADDRESS: Republican National Committee

310 First Street, S.E.

Washington, D.C. 20003

TELEPHONE: (202) 863-8638

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

9/28/84

Date

Jennifer B. Dunn
Signature

RESPONDENT'S NAME: Jennifer B. Dunn

ADDRESS: Washington State Republican Party

9 Lake Bellevue Dr., #203

Bellevue, WA 98005

HOME PHONE: (206) 746-4611

BUSINESS PHONE: (206) 451-1984

SCHEDULE B

ITEMIZED DISBURSEMENT

38

APPENDIX "A"

Page 2 of 2
LINE NUMBER 38
(Use separate schedule for each category of the Detailed Summary Page)

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full)

Republican National Committee- Expenditures

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Illinois Rep St Cent Comm 200 S Second Street Springfield, Ill 62701	Transfer Out Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	10/21/83	5,000.00
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Rep St Comm of Washington 9 Lake Bellevue Dr. Bellevue, Wa 98005	Transfer Out Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	10/26/83	35,000.00

85040515264

F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Rep State Comm of Washington 9 Lake Bellevue Dr Bellevue, Wa 30064	Transfer Out Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	10/20/83	10,000.00
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
SUBTOTAL of Disbursements This Page (optional)			
TOTAL This Period (last page this line number only)			153,320.79

APPENDIX "B"

AGREEMENT BETWEEN
THE REPUBLICAN NATIONAL COMMITTEE
AND THE REPUBLICAN STATE COMMITTEE OF WASHINGTON

Agreement made this 1st day of August, 1983, in Washington, D. C., by and between the Republican State Committee of Washington of Nine Bellevue Drive, Suite 203, Bellevue, Washington 98005 (hereinafter referred to as RSCW), and the Republican National Committee of 310 First Street, S. E., Washington, D. C. 20003 (hereinafter referred to as RNC).

WITNESSETH:

WHEREAS, the RNC is a national political organization engaged in political activities and programs to support Republican Party candidates and to build the Republican Party at the federal, state, and local levels:

WHEREAS, the RNC has agreed to provide financial assistance to RSCW for list development purposes;

NOW, THEREFORE, in consideration of the premises and mutual covenants and promises herein contained, the parties hereby agree as follows:

SECTION 1. Subject to the conditions specified in Sections 2, 4, and 6, the RNC shall tender Twenty-Two Thousand Two Hundred Forty Dollars (\$22,240) to RSCW for list development purposes.

SECTION 2. RSCW shall purchase twenty-four (24) tapes of registered voters from the Washington Secretary of State at a cost of Ten Dollars (\$10.00) per tape. At the execution of this agreement, the RNC shall tender Two Hundred Forty Dollars (\$240.00) to RSCW for said purchase.

SECTION 3. RSCW shall enter into a separate agreement with a vendor to combine the twenty-four (24) tapes in one format which shall include the voter registration number; name, address, including zip code, and vote history of each voter included within said list.

SECTION 4. After the RNC has reviewed the format described in Section 3 to its satisfaction, it shall tender Sixteen Thousand Dollars (\$16,000) to RSCW for payment of the vendor's services as described in Section 3.

SECTION 5. The vendor shall also designate the precinct, county, legislative, and Congressional District of each registered voter contained with the master list, or format, and shall also provide carrier route pre-sort information for each voter.

SECTION 6. After the RNC has reviewed the format described in Section 5 to its satisfaction, it shall tender Six Thousand Dollars (\$6,000) to RSCW for payment of the vendor's services as described in Section 5.

SECTION 7. Upon request, the RSCW shall provide to the RNC a written report in a generally accepted accounting format which shall describe in appropriate detail an accounting of any and all funds received by RSCW from the RNC in the year 1983.

SECTION 8. As agreed, any and all funds contributed by the RNC which have not been expended by RSCW pursuant to the terms of this agreement by December 31, 1983, shall be returned to the RNC no later than January 15, 1984.

SECTION 9. This agreement shall commence on August 1, 1983, and terminate December 31, 1983. This agreement may be terminated in writing, with or without cause, upon five (5)

days written notice to the other party. The effective date of written notice shall be deemed the date it is postmarked. In the absence of such notice of termination prior to December 31, 1983, this agreement shall terminate automatically on that date.

SECTION 10. The RSCW shall coordinate its performance under the terms of this agreement with the Regional Political Director, Jacque Irby.

SECTION 11. It is understood that the RNC will not be responsible for the payment or withholding of federal, state, and/or local taxes, payroll taxes, social security taxes, health insurance, unemployment insurance, and any other similar personnel costs in connection with this agreement.

SECTION 12. The RNC is an unincorporated association created by the Rules adopted at the most recent quadrennial Republican National Convention. The members, officers, employees, and agents of the RNC, as well as the members of the Executive Committee of the RNC, shall not be personally liable for any debt, liability, or obligation of the RNC. All persons, corporations, or other entities extending credit to, contracting with, or having any claim against the RNC, may look only to the funds and property of the RNC for payment of any such contract or claim or for the payment of any debt, damages, judgment or decree or any money that may otherwise become due or payable to them from the RNC.

SECTION 13. The terms and conditions of the agreement constitute the entire agreement and understanding of both parties hereto.

SECTION 14. No modification of this agreement shall be effective unless it be in writing and signed by all parties hereto.

REPUBLICAN STATE COMMITTEE
OF WASHINGTON

BY:

Jennifer B. Dunn
Jennifer B. Dunn
Chairman

REPUBLICAN NATIONAL COMMITTEE

BY:

Frank J. Fahrenkopf, Jr.
Frank J. Fahrenkopf, Jr.
Chairman

REPUBLICAN STATE COMMITTEE
OF WASHINGTON

BY:

Bernece Bippes
Bernece Bippes
National Committeewoman

REPUBLICAN STATE COMMITTEE
OF WASHINGTON

BY:

Dennis H. Dunn
Dennis H. Dunn
National Committeeman

BY:

Jacqueline S. Irby
Jacqueline S. Irby
Regional Political Director
Republican National Committee

AFFIDAVIT

Jay C. Banning

I, Jay C. Banning, a resident of the District of Columbia, residing at 1833 California Street, N.W., Washington, D. C. 20009, do hereby swear and affirm that the information set forth below is true and accurate.

1. I presently hold, and held in 1983, the position of Comptroller of the Republican National Committee. I presently hold, and held in 1983, the position of Comptroller for the Republican National State Elections Committee.

2. The Republican National State Elections Committee was organized exclusively to support candidates and committees involved in state and local elections. This committee makes no contributions to, nor expenditures for, committees or campaigns seeking to influence federal elections. This committee files campaign finance disclosure reports in those states in which it makes contributions to state or local political or candidate committees pursuant to appropriate state law.

3. Republican National Committee Expenditures accepts contributions only pursuant to provisions of the Federal Election Campaign Act of 1971, as amended, and accepts no contributions from sources prohibited under this law.

BY:

Jay C. Banning

Date

Subscribed to and sworn before me this 1st day of October, 1984.

Carol L. Miles
Notary Public

My Commission Expires:

My Commission Expires August 14, 1989

DEMOCRATIC
NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

ATTACHMENT IV

Charles T. Manatt
Chairman

(44)

Amr

September 26, 1984

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
SEP 26 1984
PI2: 10

BY HAND

General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 1766

Dear Sir:

Pursuant to 11 C.F.R. § 111.6, the Democratic National Committee ("DNC") hereby responds to the Complaint filed against it by the Center for Responsive Politics, docketed by the Commission at MUR 1766.^{1/}

When boiled down to its essence, the Complaint against the DNC consists of only two ingredients. The first is an allegation that a contribution which the DNC made in October, 1983 from its non-federal account to the non-federal account of the Washington State Democratic Party (the "State Party") was an illegal contribution in connection with a federal election. The second is a request that the Commission reconsider the rules applicable to the DNC and other party committees regarding the use of non-federal funds in connection with party-building activities. As to the first, however, it is apparent from the face of the Complaint itself and from the facts known to this Commission that the DNC's contribution was perfectly legal and that the Complainant's assertion to the contrary is based upon errors of both law and fact. As to the second, moreover, Complainant's request is simply one for rulemaking which is neither timely nor a proper subject for a complaint. Therefore, for these reasons and as more fully described below, the Commission

^{1/} The DNC encloses herewith a properly executed notice designating Anthony S. Harrington and Joseph A. Rieser, Jr. as counsel for the DNC in this matter.

0
2
5
1
5
0
4
0
5
8

45

should dismiss the Complaint as to the DNC and take no further action upon it.

A. The Charges Made Regarding the DNC's Contribution to the State Party Should be Dismissed.

1. The DNC's Contribution Was Legal.

Under cover of letter dated October 17, 1983, DNC Non-Federal Programs, Inc. contributed \$20,000 from its non-federal corporate account to the non-federal account of the Washington State Democratic Party. Because the State of Washington was holding a special election on November 8, 1983 to fill the vacancy in the U.S. Senate occasioned by the untimely death of Senator Henry M. Jackson, Complainant has concluded that, ipso facto, the contribution was in connection with a federal election. As a result, it asserts that it was a corporate contribution in violation of Section 441b(a) of the Federal Election Campaign Act of 1971, as amended (the "Act").^{2/}

Complainant is wrong, as it well knows. Complainant attached, as Exhibit B to its Complaint, the transmittal letter which accompanied the DNC's contribution. (A copy of that letter is attached hereto as Exhibit A.) That letter could not make it more clear that the DNC was making the contribution to support the State Party's efforts on behalf of candidates for state and local office. Indeed, the DNC expressly cautioned the State Party that, because the funds transferred were derived from corporate contributions, the State Party could not spend them in connection with federal elections. In contrast, and underscoring the point that its non-federal contribution was to be used for non-federal purposes, the DNC shortly thereafter also made a federal contribution of \$10,000 to the State Party.^{3/} In short, the DNC made a non-federal contribution to the State

^{2/} Complainant further asserts that the contribution was a coordinated expenditure in connection with the general election campaign of the Democratic Party's nominee for the U.S. Senate which the DNC failed to report as such, a violation of Section 434 of the Act. However, in light of the fact, discussed in more detail below, that the contribution in issue was a permissible non-federal contribution, Complainant's assertion in this regard is misguided and requires no further discussion.

^{3/} This is confirmed by its and the State Party's federal reports.

85040515271

46

Party's non-federal account under explicit instructions that the contribution not be used in connection with federal elections. This, alone, should dispose of the Complaint as to the DNC.

2. The State Party Committed No Violation
Which Should Be Attributed to the DNC.

a. The State Party's activities
should not be attributed to the DNC.

Even if the State Party had erred in the use of the non-federal funds which the DNC contributed to it, any such violations should not be held to be the responsibility of the DNC. The DNC and the State Party are separate entities, and the Act and the regulations make this plain.^{4/} Since the DNC and the State Party are separate -- and the former does not control the latter -- the DNC cannot be held responsible for the latter's activities.

Theoretically, of course, DNC might have made an illegal contribution if it had known and intended that, despite its written instructions, the State Party would spend the contribution in direct support of a federal candidate. Complainant does not, and could not, allege this, however. Instead, it asserts at most that the money was spent on such admittedly "traditional activities" as get-out-the-vote efforts. That is not a sufficient basis upon which to find that the DNC made an illegal contribution. This is particularly clear in light of the fact mentioned above that DNC also made a federal contribution before the election to the State Party. Thus, there can be no argument that the DNC even unwittingly induced the State Party to impermissibly spend solely non-federal funds on a party-wide activity.

b. The State Party could lawfully use
non-federal funds to pay for a portion
of its party-building activities during
the 1983 election.

Apparently, because there was a special election to fill a vacancy in the U.S. Senate, Complainant believes that

^{4/} For example, the contribution limitations under Section 441a(a) apply separately to contributions to the DNC and to the State Party, as do the expenditure limitations under Section 441a(d).

85090515272

47

the State Party could not spend non-federal money on such "traditional" party activities as GOTV. As the Commission well knows, that is simply not the law. Both its Advisory Opinions and its regulations make clear beyond peradventure that a party committee may pay for the portion of a GOTV effort attributable to non-federal candidates with non-federal funds. See, e.g., A.O. 1978-10, 1 Fed. Elec. Camp. Fin. Guide (CCH) ¶ 5340 (Aug. 29, 1978); A.O. 1978-28, 1 Fed. Elec. Camp. Fin. Guide (CCH) ¶ 5358 (Sept. 29, 1978); A.O. 1978-50, 1 Fed. Elec. Camp. Fin. Guide (CCH) ¶ 5353 (Sept. 19, 1978); 11 C.F.R. § 100.7(b)(17)(vii). Moreover, it has done so in clear recognition of the obvious fact that party-wide GOTV efforts affect federal, as well as state and local, elections. See, e.g., A.O. 1978-10, supra, (Dissenting Opinion of Commissioner Harris). In order to fall within the scope of these Advisory Opinions and regulations, of course, the State Party must pay for the portion of the cost of such activity allocable to federal candidates with federal funds.

As if in recognition of these well-established principles, Complainant is ultimately reduced to the forlorn claim that the State Party did not pay for a large enough proportion of its party-building GOTV efforts with federal funds. It alleges -- based on evidence it does not reveal -- that the State Party paid for such activities with only 25% federal funds and confidently asserts -- based on reasoning it does not explain -- that the federal share should have been at least 75%. Notwithstanding Complainant's remarkable -- and we think unsupportable -- belief that the DNC should be held responsible for such technical matters which are under the control of the State Party and not the DNC, the fact of the matter is that Complainant simply has no grievance in this regard.

In the first place, even if the special election to fill the vacancy in the U.S. Senate were the only election on the ballot, a state party would not necessarily have to use a federal share which was that high, depending upon all the facts and circumstances. See, e.g., A.O.R. 76-72, 1 Fed. Elec. Camp. Fin. Guide ¶ 6034 (October 6, 1976), which stated that a party committee could use a reasonably-derived allocation ratio year-in and year-out. Certainly, the voter lists which were developed in 1983 would have had a use to the State Party far beyond that single election, and the State Party might well have been allowed to take into account such consequences in determining the non-federal portion of a GOTV effort even in such a hypothetical situation.

In the second place, Complainant apparently bases its conclusion on the fact that only 9 out of the state's 39 counties

85040515273

48

had partisan races in county and city elections. However, while these may constitute less than one-quarter of the state's counties, 4 of those counties (King, Snohomish, Spokane and Yakima) contain almost 60% of the state's population. Moreover, the State Party has advised us that it concentrated its get-out-the-vote activities in the counties with contested partisan local races.^{5/} In other words, more voters were affected by these partisan local races, and those partisan races were a more significant element of the State Party's activity, than the Complainant apparently assumes.

In the third place, the local races were important. In a curious example of Washington, D.C. myopia, Complainant dismisses these local offices as "minor". As with most generalizations, this one is dangerously untrue. For example, according to the State Party, the race for Assessor in King County involved a right-wing Republican incumbent who was perceived as a likely future candidate for Governor or a likely future opponent of the incumbent County Executive who had been elected 2 years previously and was the first Democrat ever elected to County-wide office. Thus, the contest for Assessor represented a chance for the State Party to defeat a significant opponent and elect a second county-wide official. Similarly, the races for County Council constituted, in effect, a contest for control of the Council as a whole. Such offices, and the contests for them, are not "minor" in any form or fashion.

3. The Commission Has Already Investigated
the State Party's Activities in 1983.
No Further Review Is Necessary.

Finally, as the Commission knows, its audit staff recently reviewed the Washington State Democratic Party's activities in 1983. While the DNC has no personal knowledge of the results of that audit, the State Party has advised it that the consequence was simply that the State Party had to make a small payment from its federal account to its non-federal account to adjust for

^{5/} The State Party also advised that, contrary to the implication in Exhibit A to the Complaint, the contest for Auditor in Yakima County was contested. In fact, its candidate for Auditor in that County won by only 500-600 votes, which emphasizes the importance of its GOTV activities in that county.

85040515274

85040515275

The Center's Request for Reconsideration
of the Rules Applicable to Party-Building
Activities is Inappropriate and Untimely.

6/ The State Party has advised the DNC that the adjustment was required because, while it allocated its GOTV activities between federal and non-federal funds on approximately a 50-50 basis, it neglected to allocate a portion of its overhead in a similar fashion. In any event, whatever the reason for the adjustment, the State Party has also advised the DNC that the adjustment required was only approximately \$9000 out of an operating budget for the year of \$270,000.

7/ It also raises serious questions as to whether or not the Center has abused the Commission's process by filing a Complaint against the DNC when its purpose in doing so was really to petition the Commission to initiate a rulemaking proceeding.

50

85040515276

The DNC is prepared to comment fully on the Center's substantive position if and when the Commission initiates appropriate rulemaking proceedings. It notes preliminarily, however, that the Center appears to believe that non-federal funds should not be used to pay for any portion of party-building activities because such activities ineluctably affect federal elections and that rules allowing the allocation of the costs of such activities between federal and non-federal funds represent a "loophole" in the regulation of federal elections. Far from representing a loophole, however, the Commission's rules on allocation merely give due deference to state law. These rules represent a reasonable effort to reconcile the tensions inherent in a federal system and to accommodate a state's legitimate interest in regulating its own elections.^{8/} The Commission should not lightly decide to "federalize" the entire political process in the absence of clear legislative and constitutional authority to do so.

Moreover, the Complaint is deficient on procedural grounds in this regard. First, as noted above, if the Center wishes the Commission to initiate rulemaking proceedings on these issues, it has seriously abused the Commission's process in filing a Complaint against the DNC. Instead, it should have filed a petition with the Commission to initiate such proceedings, with an explanation as to how and why the Commission's existing rules and standards should be modified.

Second, the real source of the Center's concern lies in the scope of the Act itself and its relationship to state laws, not in the Commission's Advisory Opinions and regulations. Consequently, the Center's real remedy is in the legislative, not the regulatory, arena. Congress has held many hearings on campaign finance matters, and the Center should begin to participate in those hearings and in the legislative process if it wishes to change the rules.

Finally, the DNC believes that the basic thrust of the Commission's rules is clear. The Center's problem is simply that it does not like that thrust. However, it would be most unfair to those who have to live by those rules to change them this close to an election, after the political committees have long

^{8/} In this regard, the DNC notes that it seeks to comply fully with all applicable state disclosure and other requirements. This is amply demonstrated by its reminder to the State Party in its letter of October 17, 1983 that the DNC contribution should be publicly reported under state law to the appropriate authorities.

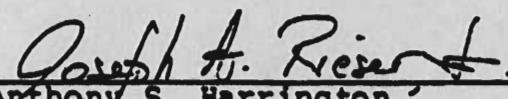
General Counsel
Federal Election Commission
Page Eight
September 26, 1984

(51)

made their plans based on the existing rules. If it is appropriate to revisit some of the applicable rules and modify them, the proper time to do is after an election cycle, not just before its end.

WHEREFORE, for the reasons set forth above, the Commission should dismiss the Complaint against the DNC and take no further action upon it.

Respectfully submitted,


Anthony S. Harrington
General Counsel

Joseph A. Rieser, Jr.
Associate General Counsel

Democratic National Committee
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036
(202) 797-5900

JAR:pah
Attachments

85040515277

DEMOCRATIC
NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

EXHIBIT A

Charles T. Manatt
Chairman

52

October 17, 1983

Karen Marchioro, Chairman
Washington Democratic Party
1701 Smith Tower
Seattle, Washington 98104

Dear Karen:

Enclosed please find a check in the amount of \$20,000. The Democratic National Committee is honored to make this contribution to the Washington State Democratic Central Committee.

8 These funds are drawn from our corporate non-federal account maintained for use in connection with state and local elections in states where such funding is permissible. Thus, the funds are transferred to the State Party subject to the express condition that they be used only for such purposes and not in connection with any federal election and subject to your determination that such use is in accordance with applicable state laws.

4 Please note that the State Party is required, within ten days following receipt of this contribution, to file a Form C-5 with the Washington Public Disclosure Commission. Failure to do so may result in the forfeiture of these funds to the state.

Sincerely,



Michael R. Steed
National Director

MRS/lm
Enclosure

STATEMENT OF DESIGNATION OF COUNSEL

(53)

NUR 1766

NAME OF COUNSEL: Anthony S. Harrington

Joseph A. Rieser, Jr.

ADDRESS: Hogan & Hartson

Reed Smith Shaw & McClay

815 Connecticut Ave., N.W.

1150 Connecticut Ave., N.W.

Washington, D.C. 20036

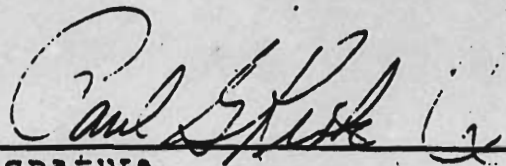
Suite 900
Washington, D.C. 20036

TELEPHONE: (202) 331-4500

(202) 457-6100

The above-named individuals ^{are} 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.

5
2
7
5
1
Date 9/55/84


Signature

RESPONDENT'S NAME: Paul G. Kirk, Jr.

ADDRESS: Treasurer, Democratic National Committee

1625 Massachusetts Avenue, N.W.

Washington, D.C. 20036

HOME PHONE: _____

BUSINESS PHONE: (202) 797-5900

ATTACHMENT IV (54)

ROGER L. SHIDLER
GEORGE W. MCBROOM
WILLIAM H. GATES
JAMES R. IRWIN
LAWRENCE S. BAILEY
RICHARD S. DODD
FREDERICK ROSS BOUNDY
WILLIAM H. NEUKOM
JAMES L. FLETCHER
DAVID T. McDONALD
DALE K. ROUNDY
PATRICIA J. PARKS
GARY D. HUFF
WILLIAM A. BUTLER

SHIDLER, MCBROOM & GATES
A PROFESSIONAL SERVICE CORPORATION
LAW OFFICES
1000 NORTON BUILDING
SEATTLE, WASHINGTON 98104
TELEPHONE (206) 223-4666
TELECOPIER (206) 622-8110
TELEX: 29-2988

September 27, 1984

CCC#4916
OCT 1 11:03
DAVID L. BIRNEY
ROBERT A. EDELMAN
CONSTANCE L. PROCTOR
KARL J. QUACKENBUSH
CRAIG R. LEWIS
WILLIAM T. POPE
G. SCOTT GREENBURG
STEVE W. BERMAN
MARTIN F. SMITH
PETER C. SPRATT
ANNE E. FULTON

General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

RE: MUR 1766

Dear Sirs:

Pursuant to 11 CFR §111.6, the Washington State Democratic Central Committee ("WSDCC") hereby responds to the Complaint filed against it by the Center for Responsive Politics ("Center"), docketed by the commission at MUR 1766.

WSDCC hereby joins in and adopts the response of the Democratic National Committee ("DNC") to this Complaint.

In addition, the WSDCC would like to emphasize several additional points.

The Center's Complaint proceeds from fundamental misunderstandings of the State of Washington, its politics, and the roles of the party.

First, King County accounts for some 36% of the voting population of the entire state. There were four races of critical interest to the party in that county alone. The county-wide offices in King have been Republican for almost a generation. In 1981 King County elected its first Democratic County Executive. However, he was faced with a Republican majority on his County Council and an almost certain challenge at his re-election in 1985. The Republicans still controlled the other two county-wide offices, assessor and prosecutor. As a result, in 1983 the party actively recruited and made strong challenges to both the incumbent assessor and three of the four Republican County Council members running for re-election. These challenges were in part successful, electing a new Democratic assessor and one new Democratic County Councilwoman, making King County government effectively Democratic for the first time in decades.

85040515280

55

Without dwelling on details, similar situations exist elsewhere in the state.

Second, the Center arrogantly and naively assumes that because the U.S. Senate race, which came by surprise and extremely late in the campaign year, was the focus of the Center's interest and the press' interest, it must, therefore, have been the focus of the party's interest. With all due respect, the party has its own agenda and plans, and it is not run by either the press or the Center. The party is a long term proposition and it is always seeking to broaden its base. Glamor races, such as the Senate, are the end product of party building, not the tactic for party building. Parties are built by recruiting local activists around local issues to win local elections. That's why races such as those in King County are crucially important. The Commission should not create or encourage an environment in which any outside agency, whether government, press or the Center, dictates to any political party what is important to the party in achieving its long term, first-amendment protected, political goal of locating and identifying Democrats and bringing them into the party.

Third, it is important to understand that Washington does not have registration by party, nor does it have closed primaries. There is virtually no way to identify Democrats except by calling and asking a voter and hoping he or she answers. Again, this is the reason for the party's extensive involvement in local issues and local campaigns rather than in the more famous and media-dominated campaigns. Media campaigns are one-way communication. Building a party in Washington requires two-way communication.

Fourth, the Center naively assumes that the party has no interest in non-partisan races. That is totally untrue. The party attempts to advance Democrats in those local non-partisan races for the same reasons it works in other local races. It works to draw in voters who are attracted to the issues and can be persuaded that the best way to advance those issues is to continue working on a broad, and partisan front.

In essence, the Center's Complaint is an allegation of wrongdoing based purely on speculation and without any real appreciation of the importance of local elections to the WSDCC. It would appear, as the DNC suggests in its response, that the Center is merely trying to get the Commission to write new rules.

85040515281

56

General Counsel
September 27, 1984
Page 3

The WSDCC respectfully requests the Commission dismiss the Complaint and take no further action on it.

Respectfully submitted,


David T. McDonald

DTM/bal

D/8

85040515282

STATEMENT OF DESIGNATION OF COUNSEL

(57)

MUR 1766

NAME OF COUNSEL: DAVID T. McDONALD

ADDRESS: 3500 FIRST INTERSTATE CENTER
SEATTLE, WA 98104

TELEPHONE: 206-223-4666

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

9/29/84
Date

WASHINGTON STATE DEMOCRATIC CENTRAL
COMMITTEE BY
Karen Marchioro
Signature KAREN MARCHIORO, CHAIR

RESPONDENT'S NAME: WASHINGTON STATE DEMOCRATIC CENTRAL COMMITTEE

ADDRESS: P.O. Box 4027
SEATTLE, WA 98104

HOME PHONE: 1-206-567-4813

BUSINESS PHONE: 1-206-583-0664



common cause

2030 M STREET, N.W., WASHINGTON, D. C. 20036

RECEIVED THE FEC
84 NOV 11 12:41

Archibald Cox
Chairman

Fred Werthelmer
President

John W. Gardner
Founding Chairman

Attachment 5

58

November 5, 1984

14 NOV 6 P 2:17

Charles N. Steele
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Dear Mr. Steele:

I am writing on behalf of Common Cause to express our deep concern about the improper role that "soft money" has been playing in federal campaigns and about the Federal Election Commission's inattention to this very serious problem.

It appears that "soft money" is being used in federal elections in a manner that violates and severely undermines the contribution limits and prohibitions contained in the federal campaign finance laws. While these practices and abuses have received considerable public attention, the Federal Election Commission to our knowledge has failed to take any formal action in this area.

In using the term "soft money" we are referring to funds that are raised by Presidential campaigns and national and congressional political party organizations purportedly for use by state and local party organizations in nonfederal elections, from sources who would be barred from making such contributions in connection with a federal election, e.g. from corporations and labor unions and from individuals who have reached their federal contribution limits.

According to various press reports and public statements, including statements by campaign and party officials, it appears clear that "soft money" in fact is not being raised or spent solely for nonfederal election purposes. Such funds are being channeled to state parties with the clear goal of influencing the outcome of federal elections. [The complaint filed by the Center for Responsive Politics, for example, sets forth a clear example of the use of "soft money" for federal purposes in the 1983 special Senate election in the State of Washington.]

Under the federal campaign finance laws "soft money" is prohibited from being spent "in connection with" federal elections. There is no question that "soft money" currently is being spent "in connection with" federal elections, if that term as used in the federal campaign laws is to be given any realistic meaning. If the Commission leaves such "soft money" practices unchecked it will be

35040515284

implicitly sanctioning potentially widespread violation of the current federal campaign finance laws.

Soft money practices are facilitating the reemergence in national political fundraising of campaign contributions from sources such as corporations and unions that have been prohibited for decades from providing such funds for federal elections. They are similarly facilitating the reemergence of large individual campaign contributions that have been prohibited since 1975.

These contributions are highly visible to national campaign and party officials notwithstanding their purported use by state party organizations for nonfederal election purposes. When national campaign and party officials who work with federal candidates raise and coordinate or channel the distribution of "soft money" to state organizations, the potential for corruption is exactly the same as it was when those national campaign and party officials directly received that kind of money. If the Commission leaves soft money practices unchecked, it will directly undermine a core protection against corruption in the federal campaign finance laws.

Soft money practices are also undermining the disclosure provisions of federal campaign finance laws. Very substantial sums of money are being channeled to and through state parties in order to influence federal elections without these sums being disclosed as contributions or expenditures under the federal law. A primary purpose of the federal campaign finance laws is to open the political financing process to public scrutiny. If the Commission leaves soft money practices unchecked, it will allow the national campaigns and political parties to potentially hide millions of dollars in federally related campaign funds from public view, thereby creating widespread opportunities for actual and apparent corruption.

Furthermore, in presidential campaigns, "soft money" returns private funds to a potentially prominent role and thereby subverts the purpose of the presidential public financing system. In 1979, Congress amended the federal campaign finance laws to permit state parties to spend money in connection with presidential campaigns, but only for certain limited purposes and only with funds subject to the limitations and prohibitions of the federal law. Congress did not intend to authorize centralized national fundraising of private funds from proscribed sources to supplement the presidential public financing system. If the Commission leaves soft money practices unchecked, just that will continue to occur.

Common Cause believes that it is essential for the Commission to make the "soft money" problem a top priority in carrying out its statutory responsibility to enforce the federal campaign finance laws. The Commission's current approach, which appears to be limited to sporadic policing of political committee account allocation rules, is totally inadequate.

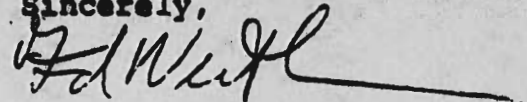
85040515285

We therefore strongly urge that the Commission promptly take the following steps:

- (1) initiate on a priority basis its own broad-ranging factual investigation into soft money practices, with a view toward prosecuting actual past violations;
- (2) initiate a rulemaking proceeding to establish what broader administrative tools, such as additional disclosure requirements, are needed to facilitate the Commission's effective enforcement of the current laws; and
- (3) undertake a review of the current laws to determine what additional statutory remedies may be required to assure that soft money abuses are most effectively curtailed.

"Soft money" is a very serious problem. The Commission must address it aggressively. It is not sufficient for the Commission, in this or other key areas, to sit back and wait for private parties to bring these matters of enforcement responsibility to its attention. The Commission must be out in front of, not forced into, these issues.

Sincerely,



Fred Wertheimer
President, Common Cause

85040515286



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

David T. McDonald
Shidler, McBroom & Gates
1000 Norton Building
Seattle, Washington 98104

Re: MUR 1766
Washington State Democratic Central
Committee

Dear Mr. McDonald:

On September 10, 1984, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on , 1984, determined that on the basis of the information in the complaint, and information provided by your client, 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

85040515287



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

62

Anthony S. Harrington
Democratic National Committee
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036

Re: MUR 1766
Democratic National Committee

Dear Mr. Harrington:

On September 10, 1984, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on , 1984, determined that on the basis of the information in the complaint, and information provided by your client, 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

8
5
0
4
0
5
1
5
2
8
8



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

63

Mark Braden
Republican National Committee
310 First Street, S.E.
Washington, D.C. 20003

Re: MUR 1766
Republican National Committee
Republican National State Elections
Committee
Republican State Committee of
Washington

Dear Mr. Braden:

On September 10, 1984, the Commission notified your clients of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on , 1984, determined that on the basis of the information in the complaint, and information provided by your clients, 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

85040515289



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

64

Ellen S. Miller
Center for Responsive Politics
#6 E Street, S.E.
Washington, D.C. 20003

Re: MUR 1766

Dear Ms. Miller:

The Federal Election Commission has reviewed the allegations of your complaint dated August 27, 1984, and determined that on the basis of the information provided in the 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

OGC 4905



**Republican
National
Committee**

E. Mark Braden
Chief Counsel

Catherine E. Gensler
Michael A. Hess
Deputy Chief Counsels

October 1, 1984

94 OCT 1 11:48
RECEIVED
FEDERAL ELECTION COMMISSION

Charles N. Steele, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

RE: MUR 1766

Dear Mr. Steele:

This letter is in response to the complaint by the Center for Responsive Politics which alleges, in part, that the Republican National Committee (RNC), the Republican National State Elections Committee (RNSEC), and the Republican State Committee of Washington (RSCW) may have violated certain sections of the Federal Election Campaign Act of 1971, as amended.

This letter is a consolidated response of the Republican Committees named in the complaint, pursuant to 11 CFR 111.6(a). This response will demonstrate clearly to the Commission that no further action should be taken against any Republican Committees in connection with the complaint because the complainant, the Center for Responsive Politics, fails to meet the statutory and regulatory

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

requirements of the Federal Election Commission. The complaint does not contain a clear and concise presentation of facts which describe a violation of a statute or regulation over which the Commission has jurisdiction. Additionally, the complaint fails to provide any documentation supporting the alleged facts contained in the complaint. [2 USC Section 437g(a)(1); 11 CFR 111.4(d)(3)&(4)].

2
6
2
5
-
5
0
4
0
5
8

The overwhelming majority of the complaint is totally irrelevant to the Commission's enforcement authority or procedures and is without relevance to any factual or legal issues which could constitute a violation of the FECA. The first thirteen pages of the complaint and the section captioned, "Relief Sought," seem to be primarily prayers for changes in the Commission's regulations and the Federal Election Campaign Act, drafted for public relations purposes. They are not material to any alleged violations of the Federal Election Campaign Act by the Republican respondents in 1983.

The only statements contained in the "Facts" section of the complaint alleging relevant "facts" to possible violations by these respondents are contained primarily on page 16, paragraph 5. The RNSEC did make two transfers to the RSCW in September and October of 1983 in the aggregate of \$22,000. The RNC did transfer to the RSCW \$35,000 on October 20, 1983, and \$10,000 on October 26, 1983.

The additional "facts" contained in the complaint are either irrelevant or erroneous, or both. The complaint in paragraph 6, on page 16, erroneously states that these transfers from the RNC and RNSEC: a) were contributions, b) were all from funds not raised under the limitations and restrictions of the Federal Election Campaign Act, and c) were not reported on appropriate disclosure forms to the Federal Election Commission (FEC).

8 5 0 4 0 5 1 5 2 9 3

The transfers to the RSCW from the RNC are not considered contributions by the Commission pursuant to 11 CFR 102.6(a)(1)(ii) and (a)(2); 110.3(c). They are party transfers. The transfers to the RSCW on October 26, 1983, and October 20, 1983, from the RNC are properly reported to the FEC. The funds transferred on these dates represent monies raised under the limitations and restrictions of the Federal Election Campaign Act. I draw the Commission's attention to the FEC report of Republican National Committee Expenditures, dated November 14, 1983. A photocopy of the appropriate page is attached to this response for your convenience. (Appendix A) The RNC Expenditures accepts no funds which are not permitted under the FECA.

The transfers by the RNSEC to the RSCW were not reported to the Federal Election Commission because they were made by a committee which does not make expenditures for activities or contributions to political committees which support or oppose

candidates for federal office. (See Affidavit by Jay C. Banning.) For this reason, there is no requirement for the RNSEC to report to the Commission.

The RSCW accepted these four transfers (two from the RNSEC and two from the RNC) into the account or committee it maintains to exclusively support its activities for candidates for state and local office. Receipts for such accounts need not be reported to the Federal Election Commission pursuant to the Commission's regulations (11 CFR 102.5). The RSCW did fully disclose those receipts pursuant to Washington State statute. The State Party's campaign finance disclosure report is available to anyone wishing to examine it. (See Revised Code of Washington, Section 42.17.030 through 42.17.140).

In paragraph 7, the complainant states that funds transferred to the RSCW were "ostensibly for the sole purpose of assisting the party's candidate in an extremely limited number of local races.." On what observations, circumstances, statements, or facts does the complainant base this conclusion? Obviously, the complainant is working under the illusion that the only activity of the Washington State Republican Party in 1983 was in behalf of these local races. State political parties have ongoing programs and activities and do not solely operate for the purpose of assisting candidates solely in elections in that particular calendar year. Apparently

85040515294

the complainant will be surprised to learn that in 1983 the RSCW was undertaking preparations for the 1984 campaign. This "fact" from the complaint shows an incredible lack of knowledge and must raise questions about every statement made by the complainant.

The complainant states in paragraph 8... "it has reason to believe that the nonfederal funds contributed by the national party committees were used for such traditional activities as get-out-the-vote efforts on election day." The only nonfederal funds transferred by a national Republican Party Committee to the Washington Republican Party were pursuant to an agreement to develop a mailing list for the State Party (see Attachment B and Affidavit of Jennifer Dunn). This program was conceived, designed, and commenced prior to the tragic death of Senator Jackson. It could not have been planned with the intent of influencing the special election to fill the vacancy, unless the complainant is alleging clairvoyance by the respondents. The list was completed after the date of the special election (see Affidavit of Jennifer Dunn). The nonfederal funds transferred to the Washington State Republican Committee from the RNSEC were not used in connection with the special election to fill the Senate vacancy. The complainant makes no reference to other nonfederal transfers, contributions, or expenditures from the national party to the state committee. The Commission, pursuant to its regulations, must ask, "What reason to believe?" The complainant provides no reasons, no

8 5 0 4 0 5 1 5 2 9 5

facts, to support its statement that nonfederal funds contributed by the national Republican committees were used for 1983 Election Day activities.

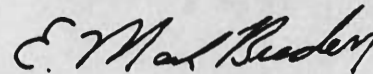
Paragraph 9 is listed in the "facts" presented by the complainant apparently to indicate their good faith efforts to procure information to support their allegations. The complainant cannot believe the failure of a state party chairman to respond to a single letter requesting voluminous information is a violation of the Federal Election Campaign Act. The Washington State Republican Party files detailed and complete campaign finance disclosure reports with the appropriate state agency in Washington. These reports fully disclose the financial activities of the State Committee's nonfederal account. The Washington State Republican Party files detailed and complete campaign finance reports of its federal committee with the FEC. The RNC files detailed and complete campaign finance reports of its activities with the FEC. The RNSEC files complete financial disclosure reports in the states in which it makes expenditures or contributions for state or local campaign activity. It is clear that the complainant did not examine these disclosure reports. The receipts and disbursements of these committees are available for public review. The complainant never availed itself of an opportunity to review this material preferring to file a complaint saying they had reason to believe these organizations have violated the law, but without stating the reason nor attempting to gather facts to support a reason.

9629515296

Paragraphs 10, 11, and 12 are irrelevant to these respondents or any allegation of illegality by them. It is unnecessary to examine the complaint section entitled, "The Law," because the complaint fails totally to provide any "Facts" on which to base any analysis.

Every disbursement, receipt, transfer, contribution, or expenditure of each of these respondents is available for public review. The complaint fails to recite a single disbursement, receipt, transfer, contribution, or expenditure of these respondents which violates the FECA. The complaint fails to recite facts which describe a violation of the FECA. For these reasons, the complaint fails to meet the Commission requirements and should be dismissed without further action.

Very truly yours,



E. Mark Braden

EMB:jd
Enclosures

85040515297

STATE OF WASHINGTON

COUNTY OF KING

s.

JENNIFER DUNN, Being first duly sworn, on oath deposes and says,

1. That I am Chairman of the Republican State Committee of Washington a/k/a/ The Washington State Republican Party and authorized to make affidavit on its behalf.
2. That at no time during the calendar year of 1983 were funds transferred to the Washington State Republican Party from the Republican National Committee or any other affiliated organization of the Republican Party used or authorized by me to be expended on behalf of the U.S. Senate Election of 1983 in the State of Washington.
3. Also, that the Washington State Republican Party List Development Program which began in January of 1983 and was completed in July of 1984 was not used nor capable of being used in the U.S. Senate Election of 1983 in the State of Washington.

Jennifer B. Dunn

Subscribed and sworn to before me this 28 day of September 1984.

David L. Helle

Notary Public in and for the State of Washington residing at

Seattle

85040515298

STATEMENT OF DESIGNATION OF COUNSEL

MUR _____

NAME OF COUNSEL: E. Mark Braden

ADDRESS: Republican National Committee

310 First Street, S.E.

Washington, D.C. 20003

TELEPHONE: (202) 863-8638

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

9/28/84

Date

Jennifer B. Dunn
Signature

RESPONDENT'S NAME: Jennifer B. Dunn

ADDRESS: Washington State Republican Party

9 Lake Bellevue Dr., #203

Bellevue, WA 98005

HOME PHONE: (206) 746-4611

BUSINESS PHONE: (206) 451-1984

10/10/83 - 10/31/83

R N 917-EP961103

SCHEDULE B

ITEMIZED DISBURSEMENTS

APPENDIX "A"

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full)

Republican National Committee- Expenditures

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
Illinois Rep St Cent Comm 200 S Second Street Springfield, Ill 62701	Transfer Out	10/21/83	5,000.00
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
Rep St Comm of Washington 9 Lake Bellevue Dr. Bellevue, Wa 98005	Transfer Out	10/26/83	35,000.00

05040515300

F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
Rep State Comm of Washington 9 Lake Bellevue Dr Bellevue, Wa 30064	Transfer Out	10/20/83	10,000.00
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
SUBTOTAL of Disbursements This Page (optional)			
TOTAL This Period (last page this line number only)			153,320.79

APPENDIX "B"

AGREEMENT BETWEEN
THE REPUBLICAN NATIONAL COMMITTEE
AND THE REPUBLICAN STATE COMMITTEE OF WASHINGTON

Agreement made this 1st day of August, 1983, in Washington, D. C., by and between the Republican State Committee of Washington of Nine Bellevue Drive, Suite 203, Bellevue, Washington 98005 (hereinafter referred to as RSCW), and the Republican National Committee of 310 First Street, S. E., Washington, D. C. 20003 (hereinafter referred to as RNC).

WITNESSETH:

WHEREAS, the RNC is a national political organization engaged in political activities and programs to support Republican Party candidates and to build the Republican Party at the federal, state, and local levels:

WHEREAS, the RNC has agreed to provide financial assistance to RSCW for list development purposes;

NOW, THEREFORE, in consideration of the premises and mutual covenants and promises herein contained, the parties hereby agree as follows:

SECTION 1. Subject to the conditions specified in Sections 2, 4, and 6, the RNC shall tender Twenty-Two Thousand Two Hundred Forty Dollars (\$22,240) to RSCW for list development purposes.

SECTION 2. RSCW shall purchase twenty-four (24) tapes of registered voters from the Washington Secretary of State at a cost of Ten Dollars (\$10.00) per tape. At the execution of this agreement, the RNC shall tender Two Hundred Forty Dollars (\$240.00) to RSCW for said purchase.

SECTION 3. RSCW shall enter into a separate agreement with a vendor to combine the twenty-four (24) tapes in one format which shall include the voter registration number; name, address, including zip code, and vote history of each voter included within said list.

SECTION 4. After the RNC has reviewed the format described in Section 3 to its satisfaction, it shall tender Sixteen Thousand Dollars (\$16,000) to RSCW for payment of the vendor's services as described in Section 3.

SECTION 5. The vendor shall also designate the precinct, county, legislative, and Congressional District of each registered voter contained with the master list, or format, and shall also provide carrier route pre-sort information for each voter.

SECTION 6. After the RNC has reviewed the format described in Section 5 to its satisfaction, it shall tender Six Thousand Dollars (\$6,000) to RSCW for payment of the vendor's services as described in Section 5.

SECTION 7. Upon request, the RSCW shall provide to the RNC a written report in a generally accepted accounting format which shall describe in appropriate detail an accounting of any and all funds received by RSCW from the RNC in the year 1983.

SECTION 8. As agreed, any and all funds contributed by the RNC which have not been expended by RSCW pursuant to the terms of this agreement by December 31, 1983, shall be returned to the RNC no later than January 15, 1984.

SECTION 9. This agreement shall commence on August 1, 1983, and terminate December 31, 1983. This agreement may be terminated in writing, with or without cause, upon five (5)

days written notice to the other party. The effective date of written notice shall be deemed the date it is postmarked. In the absence of such notice of termination prior to December 31, 1983, this agreement shall terminate automatically on that date.

SECTION 10. The RSCW shall coordinate its performance under the terms of this agreement with the Regional Political Director, Jacque Irby.

SECTION 11. It is understood that the RNC will not be responsible for the payment or withholding of federal, state, and/or local taxes, payroll taxes, social security taxes, health insurance, unemployment insurance, and any other similar personnel costs in connection with this agreement.

SECTION 12. The RNC is an unincorporated association created by the Rules adopted at the most recent quadrennial Republican National Convention. The members, officers, employees, and agents of the RNC, as well as the members of the Executive Committee of the RNC, shall not be personally liable for any debt, liability, or obligation of the RNC. All persons, corporations, or other entities extending credit to, contracting with, or having any claim against the RNC, may look only to the funds and property of the RNC for payment of any such contract or claim or for the payment of any debt, damages, judgment or decree or any money that may otherwise become due or payable to them from the RNC.

SECTION 13. The terms and conditions of the agreement constitute the entire agreement and understanding of both parties hereto.

SECTION 14. No modification of this agreement shall be effective unless it be in writing and signed by all parties hereto.

REPUBLICAN STATE COMMITTEE
OF WASHINGTON

BY:

Jennifer B. Dunn
Jennifer B. Dunn
Chairman

REPUBLICAN NATIONAL COMMITTEE

BY:

Frank J. Fahrenkopf, Jr.
Frank J. Fahrenkopf, Jr.
Chairman

REPUBLICAN STATE COMMITTEE
OF WASHINGTON

BY:

Bernece Bippes
Bernece Bippes
National Committeewoman

REPUBLICAN STATE COMMITTEE
OF WASHINGTON

BY:

Dennis H. Dunn
Dennis H. Dunn
National Committeeman

BY:

Jacqueline S. Irby
Jacqueline S. Irby
Regional Political Director
Republican National Committee

AFFIDAVIT

Jay C. Banning

I, Jay C. Banning, a resident of the District of Columbia, residing at 1833 California Street, N.W., Washington, D. C. 20009, do hereby swear and affirm that the information set forth below is true and accurate.

1. I presently hold, and held in 1983, the position of Comptroller of the Republican National Committee. I presently hold, and held in 1983, the position of Comptroller for the Republican National State Elections Committee.

2. The Republican National State Elections Committee was organized exclusively to support candidates and committees involved in state and local elections. This committee makes no contributions to, nor expenditures for, committees or campaigns seeking to influence federal elections. This committee files campaign finance disclosure reports in those states in which it makes contributions to state or local political or candidate committees pursuant to appropriate state law.

3. Republican National Committee Expenditures accepts contributions only pursuant to provisions of the Federal Election Campaign Act of 1971, as amended, and accepts no contributions from sources prohibited under this law.

BY:

Jay C. Banning

Date

10/1/84

Subscribed to and sworn before me this 1st day of October, 1984.

Carol G. Miles
Notary Public

My Commission Expires:

My Commission Expires August 14, 1989

ROGER L. SHIDLER
GEORGE W. MCBROOM
WILLIAM H. GATES
JAMES R. IRWIN
LAWRENCE S. BAILEY
RICHARD B. DODD
FREDERICK ROSS SOUNDY
WILLIAM H. NEUKOM
JAMES L. FLETCHER
DAVID T. McDONALD
DALE K. ROUNDY
PATRICIA J. PARKS
GARY D. HUFF
WILLIAM A. BUTLER

SHIDLER, MCBROOM & GATES
A PROFESSIONAL SERVICE CORPORATION
LAW OFFICES
1000 NORTON BUILDING
SEATTLE, WASHINGTON 98104
TELEPHONE (206) 223-4666
TELECOPIER (206) 622-5110
TELEX: 221-2966

September 27, 1984

RECEIVED AT THE FEC
C-CC#4916
84 OCT 1 All: 03
DAVID SHIDNEY
ROBERT A. SCHULMAN
CONSTANCE L. PROCTOR
KARL J. QUACKENBUSH
CRAIG R. LEWIS
WILLIAM T. POPE
G. SCOTT GREENBURG
STEVE W. GERMAN
MARTIN F. SMITH
PETER C. SPRATT
ANNE E. FULTON

General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

RE: MUR 1766

Dear Sirs:

Pursuant to 11 CFR §111.6, the Washington State Democratic Central Committee ("WSDCC") hereby responds to the Complaint filed against it by the Center for Responsive Politics ("Center"), docketed by the commission at MUR 1766.

WSDCC hereby joins in and adopts the response of the Democratic National Committee ("DNC") to this Complaint.

In addition, the WSDCC would like to emphasize several additional points.

The Center's Complaint proceeds from fundamental misunderstandings of the State of Washington, its politics, and the roles of the party.

First, King County accounts for some 36% of the voting population of the entire state. There were four races of critical interest to the party in that county alone. The county-wide offices in King have been Republican for almost a generation. In 1981 King County elected its first Democratic County Executive. However, he was faced with a Republican majority on his County Council and an almost certain challenge at his re-election in 1985. The Republicans still controlled the other two county-wide offices, assessor and prosecutor. As a result, in 1983 the party actively recruited and made strong challenges to both the incumbent assessor and three of the four Republican County Council members running for re-election. These challenges were in part successful, electing a new Democratic assessor and one new Democratic County Councilwoman, making King County government effectively Democratic for the first time in decades.

85040515306

Without dwelling on details, similar situations exist elsewhere in the state.

Second, the Center arrogantly and naively assumes that because the U.S. Senate race, which came by surprise and extremely late in the campaign year, was the focus of the Center's interest and the press' interest, it must, therefore, have been the focus of the party's interest. With all due respect, the party has its own agenda and plans, and it is not run by either the press or the Center. The party is a long term proposition and it is always seeking to broaden its base. Glamor races, such as the Senate, are the end product of party building, not the tactic for party building. Parties are built by recruiting local activists around local issues to win local elections. That's why races such as those in King County are crucially important. The Commission should not create or encourage an environment in which any outside agency, whether government, press or the Center, dictates to any political party what is important to the party in achieving its long term, first-amendment protected, political goal of locating and identifying Democrats and bringing them into the party.

Third, it is important to understand that Washington does not have registration by party, nor does it have closed primaries. There is virtually no way to identify Democrats except by calling and asking a voter and hoping he or she answers. Again, this is the reason for the party's extensive involvement in local issues and local campaigns rather than in the more famous and media-dominated campaigns. Media campaigns are one-way communication. Building a party in Washington requires two-way communication.

Fourth, the Center naively assumes that the party has no interest in non-partisan races. That is totally untrue. The party attempts to advance Democrats in those local non-partisan races for the same reasons it works in other local races. It works to draw in voters who are attracted to the issues and can be persuaded that the best way to advance those issues is to continue working on a broad, and partisan front.

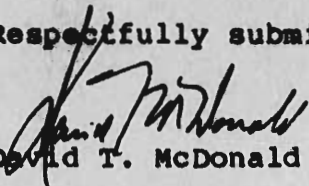
In essence, the Center's Complaint is an allegation of wrongdoing based purely on speculation and without any real appreciation of the importance of local elections to the WSDCC. It would appear, as the DNC suggests in its response, that the Center is merely trying to get the Commission to write new rules.

85040515307

General Counsel
September 27, 1984
Page 3

The WSDCC respectfully requests the Commission dismiss the Complaint and take no further action on it.

Respectfully submitted,


David T. McDonald

DTM/bal

D/8

85040515308

DEMOCRATIC
NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

Charles T. Manatt
Chairman

September 26, 1984

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

34 SEP 26 PM 2:10

BY HAND

General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 1766

Dear Sir:

Pursuant to 11 C.F.R. § 111.6, the Democratic National Committee ("DNC") hereby responds to the Complaint filed against it by the Center for Responsive Politics, docketed by the Commission at MUR 1766.^{1/}

When boiled down to its essence, the Complaint against the DNC consists of only two ingredients. The first is an allegation that a contribution which the DNC made in October, 1983 from its non-federal account to the non-federal account of the Washington State Democratic Party (the "State Party") was an illegal contribution in connection with a federal election. The second is a request that the Commission reconsider the rules applicable to the DNC and other party committees regarding the use of non-federal funds in connection with party-building activities. As to the first, however, it is apparent from the face of the Complaint itself and from the facts known to this Commission that the DNC's contribution was perfectly legal and that the Complainant's assertion to the contrary is based upon errors of both law and fact. As to the second, moreover, Complainant's request is simply one for rulemaking which is neither timely nor a proper subject for a complaint. Therefore, for these reasons and as more fully described below, the Commission

^{1/} The DNC encloses herewith a properly executed notice designating Anthony S. Harrington and Joseph A. Rieser, Jr. as counsel for the DNC in this matter.

General Counsel
Federal Election Commission
Page Two
September 26, 1984

should dismiss the Complaint as to the DNC and take no further action upon it.

A. The Charges Made Regarding the DNC's Contribution to the State Party Should be Dismissed.

1. The DNC's Contribution Was Legal.

Under cover of letter dated October 17, 1983, DNC Non-Federal Programs, Inc. contributed \$20,000 from its non-federal corporate account to the non-federal account of the Washington State Democratic Party. Because the State of Washington was holding a special election on November 8, 1983 to fill the vacancy in the U.S. Senate occasioned by the untimely death of Senator Henry M. Jackson, Complainant has concluded that, ipso facto, the contribution was in connection with a federal election. As a result, it asserts that it was a corporate contribution in violation of Section 441b(a) of the Federal Election Campaign Act of 1971, as amended (the "Act").^{2/}

Complainant is wrong, as it well knows. Complainant attached, as Exhibit B to its Complaint, the transmittal letter which accompanied the DNC's contribution. (A copy of that letter is attached hereto as Exhibit A.) That letter could not make it more clear that the DNC was making the contribution to support the State Party's efforts on behalf of candidates for state and local office. Indeed, the DNC expressly cautioned the State Party that, because the funds transferred were derived from corporate contributions, the State Party could not spend them in connection with federal elections. In contrast, and underscoring the point that its non-federal contribution was to be used for non-federal purposes, the DNC shortly thereafter also made a federal contribution of \$10,000 to the State Party.^{3/} In short, the DNC made a non-federal contribution to the State

^{2/} Complainant further asserts that the contribution was a coordinated expenditure in connection with the general election campaign of the Democratic Party's nominee for the U.S. Senate which the DNC failed to report as such, a violation of Section 434 of the Act. However, in light of the fact, discussed in more detail below, that the contribution in issue was a permissible non-federal contribution, Complainant's assertion in this regard is misguided and requires no further discussion.

^{3/} This is confirmed by its and the State Party's federal reports.

Party's non-federal account under explicit instructions that the contribution not be used in connection with federal elections. This, alone, should dispose of the Complaint as to the DNC.

2. The State Party Committed No Violation
Which Should Be Attributed to the DNC.

a. The State Party's activities
should not be attributed to the DNC.

Even if the State Party had erred in the use of the non-federal funds which the DNC contributed to it, any such violations should not be held to be the responsibility of the DNC. The DNC and the State Party are separate entities, and the Act and the regulations make this plain.^{4/} Since the DNC and the State Party are separate -- and the former does not control the latter -- the DNC cannot be held responsible for the latter's activities.

Theoretically, of course, DNC might have made an illegal contribution if it had known and intended that, despite its written instructions, the State Party would spend the contribution in direct support of a federal candidate. Complainant does not, and could not, allege this, however. Instead, it asserts at most that the money was spent on such admittedly "traditional activities" as get-out-the-vote efforts. That is not a sufficient basis upon which to find that the DNC made an illegal contribution. This is particularly clear in light of the fact mentioned above that DNC also made a federal contribution before the election to the State Party. Thus, there can be no argument that the DNC even unwittingly induced the State Party to impermissibly spend solely non-federal funds on a party-wide activity.

b. The State Party could lawfully use
non-federal funds to pay for a portion
of its party-building activities during
the 1983 election.

Apparently, because there was a special election to fill a vacancy in the U.S. Senate, Complainant believes that

^{4/} For example, the contribution limitations under Section 441a(a) apply separately to contributions to the DNC and to the State Party, as do the expenditure limitations under Section 441a(d).

the State Party could not spend non-federal money on such "traditional" party activities as GOTV. As the Commission well knows, that is simply not the law. Both its Advisory Opinions and its regulations make clear beyond peradventure that a party committee may pay for the portion of a GOTV effort attributable to non-federal candidates with non-federal funds. See, e.g., A.O. 1978-10, 1 Fed. Elec. Camp. Fin. Guide (CCH) ¶ 5340 (Aug. 29, 1978); A.O. 1978-28, 1 Fed. Elec. Camp. Fin. Guide (CCH) ¶ 5358 (Sept. 29, 1978); A.O. 1978-50, 1 Fed. Elec. Camp. Fin. Guide (CCH) ¶ 5353 (Sept. 19, 1978); 11 C.F.R. § 100.7(b)(17)(vii). Moreover, it has done so in clear recognition of the obvious fact that party-wide GOTV efforts affect federal, as well as state and local, elections. See, e.g., A.O. 1978-10, supra, (Dissenting Opinion of Commissioner Harris). In order to fall within the scope of these Advisory Opinions and regulations, of course, the State Party must pay for the portion of the cost of such activity allocable to federal candidates with federal funds.

As if in recognition of these well-established principles, Complainant is ultimately reduced to the forlorn claim that the State Party did not pay for a large enough proportion of its party-building GOTV efforts with federal funds. It alleges -- based on evidence it does not reveal -- that the State Party paid for such activities with only 25% federal funds and confidently asserts -- based on reasoning it does not explain -- that the federal share should have been at least 75%. Notwithstanding Complainant's remarkable -- and we think unsupportable -- belief that the DNC should be held responsible for such technical matters which are under the control of the State Party and not the DNC, the fact of the matter is that Complainant simply has no grievance in this regard.

In the first place, even if the special election to fill the vacancy in the U.S. Senate were the only election on the ballot, a state party would not necessarily have to use a federal share which was that high, depending upon all the facts and circumstances. See, e.g., A.O.R. 76-72, 1 Fed. Elec. Camp. Fin. Guide ¶ 6034 (October 6, 1976), which stated that a party committee could use a reasonably-derived allocation ratio year-in and year-out. Certainly, the voter lists which were developed in 1983 would have had a use to the State Party far beyond that single election, and the State Party might well have been allowed to take into account such consequences in determining the non-federal portion of a GOTV effort even in such a hypothetical situation.

In the second place, Complainant apparently bases its conclusion on the fact that only 9 out of the state's 39 counties

had partisan races in county and city elections. However, while these may constitute less than one-quarter of the state's counties, 4 of those counties (King, Snohomish, Spokane and Yakima) contain almost 60% of the state's population. Moreover, the State Party has advised us that it concentrated its get-out-the-vote activities in the counties with contested partisan local races.^{5/} In other words, more voters were affected by these partisan local races, and those partisan races were a more significant element of the State Party's activity, than the Complainant apparently assumes.

In the third place, the local races were important. In a curious example of Washington, D.C. myopia, Complainant dismisses these local offices as "minor". As with most generalizations, this one is dangerously untrue. For example, according to the State Party, the race for Assessor in King County involved a right-wing Republican incumbent who was perceived as a likely future candidate for Governor or a likely future opponent of the incumbent County Executive who had been elected 2 years previously and was the first Democrat ever elected to County-wide office. Thus, the contest for Assessor represented a chance for the State Party to defeat a significant opponent and elect a second county-wide official. Similarly, the races for County Council constituted, in effect, a contest for control of the Council as a whole. Such offices, and the contests for them, are not "minor" in any form or fashion.

3. The Commission Has Already Investigated
the State Party's Activities in 1983.
No Further Review Is Necessary.

Finally, as the Commission knows, its audit staff recently reviewed the Washington State Democratic Party's activities in 1983. While the DNC has no personal knowledge of the results of that audit, the State Party has advised it that the consequence was simply that the State Party had to make a small payment from its federal account to its non-federal account to adjust for

^{5/} The State Party also advised that, contrary to the implication in Exhibit A to the Complaint, the contest for Auditor in Yakima County was contested. In fact, its candidate for Auditor in that County won by only 500-600 votes, which emphasizes the importance of its GOTV activities in that county.

9 5 0 3 1 5 3 1 4
matters unrelated to the State Party's GOTV effort.^{6/} This alone indicates that there were no substantial irregularities in the State Party's operations. Moreover, the State Party has advised the DNC that, in making this adjustment, it based its calculation of the non-federal share of its overhead upon a comparison of the State Party's direct assistance to state and local candidates on the one hand, and to federal candidates on the other. (It further advised the DNC that the audit staff has preliminarily accepted this approach.) Since the non-federal share so calculated was approximately 52%, this amply demonstrates that Complainant's suspicions that the State Party's activities were heavily federal-oriented are as misplaced as they are ill-informed. Finally, the Commission staff has already carefully examined the State Party's activities in 1983 and is in the process of satisfactorily resolving any issues arising out of them. Thus, there is simply no need or justification for further investigation or review.

B. The Center's Request for Reconsideration
of the Rules Applicable to Party-Building
Activities is Inappropriate and Untimely.

In Part V of its Complaint, the Center, while continuing to assert that the DNC's contribution to the State Party was illegal, asks the Commission to reconsider and clarify the rules applicable to party-building activities. This, of course, is an implicit admission that the DNC's (and the State Party's) activities conformed to, rather than contravened, the applicable standards. Otherwise, the Center's request for reconsideration and clarification would have been unnecessary.^{7/}

^{6/} The State Party has advised the DNC that the adjustment was required because, while it allocated its GOTV activities between federal and non-federal funds on approximately a 50-50 basis, it neglected to allocate a portion of its overhead in a similar fashion. In any event, whatever the reason for the adjustment, the State Party has also advised the DNC that the adjustment required was only approximately \$9000 out of an operating budget for the year of \$270,000.

^{7/} It also raises serious questions as to whether or not the Center has abused the Commission's process by filing a Complaint against the DNC when its purpose in doing so was really to petition the Commission to initiate a rulemaking proceeding.

Moreover, the Complaint is deficient on procedural grounds in this regard. First, as noted above, if the Center wishes the Commission to initiate rulemaking proceedings on these issues, it has seriously abused the Commission's process in filing a Complaint against the DNC. Instead, it should have filed a petition with the Commission to initiate such proceedings, with an explanation as to how and why the Commission's existing rules and standards should be modified.

Finally, the DNC believes that the basic thrust of the Commission's rules is clear. The Center's problem is simply that it does not like that thrust. However, it would be most unfair to those who have to live by those rules to change them this close to an election, after the political committees have long

8/ In this regard, the DNC notes that it seeks to comply fully with all applicable state disclosure and other requirements. This is amply demonstrated by its reminder to the State Party in its letter of October 17, 1983 that the DNC contribution should be publicly reported under state law to the appropriate authorities.

General Counsel
Federal Election Commission
Page Eight
September 26, 1984

made their plans based on the existing rules. If it is appropriate to revisit some of the applicable rules and modify them, the proper time to do is after an election cycle, not just before its end.

WHEREFORE, for the reasons set forth above, the Commission should dismiss the Complaint against the DNC and take no further action upon it.

Respectfully submitted,


Anthony S. Harrington
General Counsel

Joseph A. Rieser, Jr.
Associate General Counsel

Democratic National Committee
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036
(202) 797-5900

JAR:pah
Attachments

85040515316

DEMOCRATIC
NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

EXHIBIT A

Charles T. Manatt
Chairman

October 17, 1983

Karen Marchioro, Chairman
Washington Democratic Party
1701 Smith Tower
Seattle, Washington 98104


Dear Karen:

Enclosed please find a check in the amount of \$20,000. The Democratic National Committee is honored to make this contribution to the Washington State Democratic Central Committee.

These funds are drawn from our corporate non-federal account maintained for use in connection with state and local elections in states where such funding is permissible. Thus, the funds are transferred to the State Party subject to the express condition that they be used only for such purposes and not in connection with any federal election and subject to your determination that such use is in accordance with applicable state laws.

Please note that the State Party is required, within ten days following receipt of this contribution, to file a Form C-5 with the Washington Public Disclosure Commission. Failure to do so may result in the forfeiture of these funds to the state.

Sincerely,



Michael R. Steed
National Director

MRS/lm
Enclosure



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 10, 1984

Ellen S. Miller
Executive Director
The Center for Responsive Politics
6 E Street, S. E.
Washington, D. C. 20003

Dear Ms. Miller:

This letter is to acknowledge receipt of your complaint, which we received on August 28, 1984, against the Republican National Committee, the Democratic National Committee, the Washington State Democratic Central Committee, and the Washington State Republican Federal Campaign Committee, 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 Barbara A. Johnson at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

By 
Kenneth A. Gross
Associate General Counsel

Enclosure

85040515318



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 10, 1984

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Clay S. Bleck
Treasurer
Washington State Democratic
Central Committee
1701 Smith Tower
Seattle, Washington 98104

Re: MUR 1766

Dear Mr. Bleck:

This letter is to notify you that on August 28, 1984 the Federal Election Commission received a complaint which alleges that The Washington State Democratic Central Committee, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 1766. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate, in writing, that no action should be taken against The Washington State Democratic Central Committee, 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.

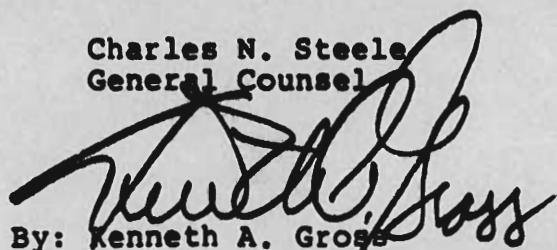
If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

9
1
3
5
1
5
3
1
9

If you have any questions, please contact Andrew Maikovich, the staff person assigned to the case at (202) 523-4000. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosures

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

85040515320



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 10, 1984

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Larry W. Wells
Treasurer
Washington State Republican
Federal Campaign Committee
9 Lake Bellevue #203
Bellevue, Washington 98005

Re: MUR 1766

Dear Mr. Wells:

This letter is to notify you that on August 28, 1984 the Federal Election Commission received a complaint which alleges that The Washington State Republican Federal Campaign Committee, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 1766. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate, in writing, that no action should be taken against The Washington State Republican Federal Campaign Committee, 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.

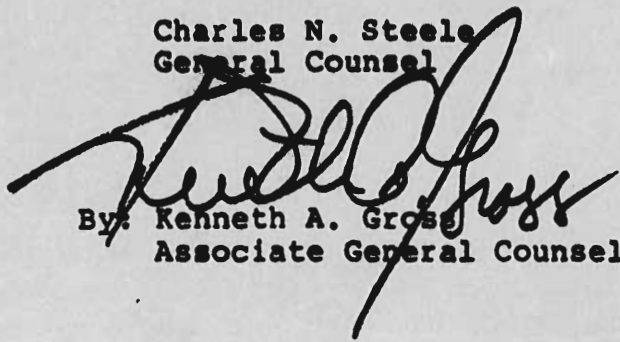
If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

85040515321

If you have any questions, please contact Andrew Maikovich, the staff person assigned to the case at (202) 523-4000. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel



By: Kenneth A. Gross
Associate General Counsel

Enclosures

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

85040515322



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 10, 1984

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Tim Crawford
Director
Republican National
State Elections Committee
310 First Street, S.E.
Washington, D.C. 20003

Re: MUR 1766

Dear Mr. Crawford:

This letter is to notify you that on August 28, 1984 the Federal Election Commission received a complaint which alleges that the Republican National State Elections Committee and you, as director, 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 1766. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate, in writing, that no action should be taken against the Republican National State Elections Committee and you, as director, 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.

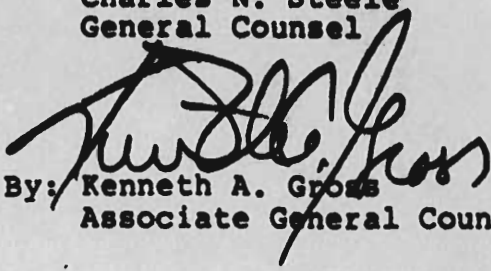
If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

85040515323

If you have any questions, please contact Andrew Maikovich, the staff person assigned to the case at (202) 523-4000. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosures

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

85040515324



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 10, 1984

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul G. Kirk, Jr.
Treasurer
Democratic National Committee
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036

Re: MUR 1766

Dear Mr. Kirk:

This letter is to notify you that on August 28, 1984 the Federal Election Commission received a complaint which alleges that The Democratic National Committee, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 1766. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate, in writing, that no action should be taken against The Democratic National Committee, 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.

85040515325

If you have any questions, please contact Andrew Maikovich, the staff person assigned to the case at (202) 523-4000. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosures

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

85040515326



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 10, 1984

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

William J. McManus
Treasurer
Republican National Committee
310 First Street, S.E.
Washington, D.C. 20003

Re: MUR 1766

Dear Mr. McManus:

This letter is to notify you that on August 28, 1984 the Federal Election Commission received a complaint which alleges that The Republican National Committee, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 1766. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate, in writing, that no action should be taken against The Republican National Committee, 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.

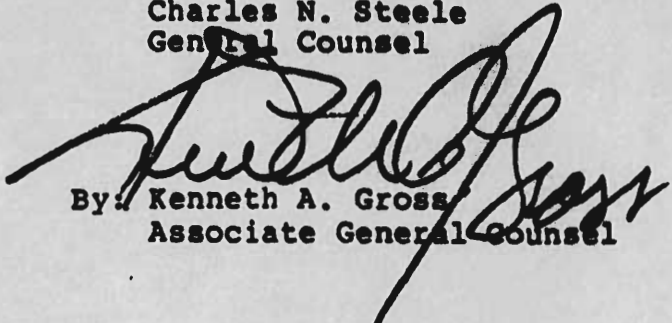
If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

85040515327

If you have any questions, please contact Andrew Maikovich, the staff person assigned to the case at (202) 523-4000. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel



By: Kenneth A. Gross
Associate General Counsel

Enclosures

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

85040515328

GCC # 4477

August 27, 1984

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

The Center for Responsive Politics
6 E Street, S.E.
Washington, D.C. 20003

Complainant,

vs.

The Republican National Committee
320 1st Street, S.E.
Washington, D.C. 20003

The Democratic National Committee
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036

The Republican National State Elections Committee
320 1st Street, S.E.
Washington, D.C. 20003

The Washington State Democratic Central Committee
1701 Smith Tower
Seattle, Washington, 98104

The Washington State Republican Party (The Republican
State Committee of Washington)
9 Lake Bellevue
#203
Bellevue, Washington 98005

MUR
1766

950405153229

34 AUG 28 9 49 AM
RECEIVED
OFFICE OF THE
GENERAL COUNSEL

COMPLAINT

I

Introduction

8 5 0 4 0 5 1 5 3 3 0
For decades it has been the public policy of the United States to prohibit funds from the general treasury of corporations and labor unions to be used in connection with federal elections. And since the 1970's, it has been the public policy of the U.S. pursuant to the Federal Election Campaign Act of 1971 as amended to regulate contributions and expenditures made for the purpose of influencing federal elections. These laws include limits on the contributions or expenditures that may be made, and require public disclosure of such contributions and expenditures that are made.

The effectiveness and integrity of the federal election laws has become increasingly threatened in the past few years by the growing involvement by the national party committees and their affiliates with the raising and distributing of large, unregulated and undisclosed sums of money ostensibly for the purpose of state party building. National political committees may have a legitimate interest in non-federal elections at the state or local level. The involvement of national political committees in raising

rapidly escalating sums of corporate and other impermissible funds under the federal election laws, however, has undermined public confidence that such committees are complying with the laws regulating federal races.

8 5 0 4 0 5 1 5 3 3 1
This complaint identifies a particularly clear instance of the use of such non-federal funds to influence a federal election. It illustrates the need for the issuance of additional guidelines by the Federal Election Commission (the Commission) on the proper use by party committees of non-federal funds in a federal election year. It emphasizes the need for better monitoring and reporting procedures so that the Commission and the public can be more confident in the future that non-federal funds raised and disbursed by national and state party committees are not in fact being used to influence federal elections. In light of the upcoming November elections, and the fact that both parties have openly declared their intent to raise and distribute significant amounts of non-federal funds in connection with the federal elections, the urgency of the issue is apparent.

II

The Parties

1. The complainant, the Center for Responsive Politics, is a non-profit bipartisan public interest research organiza-

tion incorporated in the District of Columbia. It seeks to promote better public understanding and confidence in Congress as an institution, and to conduct research on issues affecting Congress as an institution, including the laws governing campaign financing. Its Board of Directors are Mrs. Ellen S. Miller (President of the Board), Mr. Tom Bedell (Vice-President of the Board), the Honorable Orval Hansen (Secretary-Treasurer), the Honorable Dick Clark, Mr. George Denison, Ms. Nanette Falkenberg, Mr. Peter H. Fenn, Mr. Jim Guest, Mr. Peter B. Kovler, and the Honorable Hugh Scott.

2. On information and belief the respondents are identified as follows:

(a) The Republican National Committee is the national committee of the Republican Party. It is responsible for the day-to-day operations of the Republican Party at the national level, and also provides support for local and state Republican party committees. It maintains both federal and non-federal accounts for support of candidates on the federal and state or local level.

(b) The Democratic National Committee is the national committee of the Democratic Party. It is responsible for the day-to-day operations of the Democratic Party at the national level, and also provides support for local and

85040515332

state Democratic party committees. It maintains both federal and non-federal accounts for support of candidates on the federal and state or local level.

(c) The Republican National State Elections Committee is an affiliate of the Republican National Committee established for the purpose of providing campaign funds and support to state and local candidates. It solicits and receives contributions from corporations and individuals for the purpose of influencing the outcome of state and local elections. The Committee is not registered with the Commission.

(d) The Washington State Democratic Central Committee is the Democratic Party committee for the State of Washington. It is responsible for the day-to-day operations of the Democratic Party at the state and local level, and it provides monetary support for federal, state and local Democratic Party candidates in the state. It maintains both federal and non-federal accounts for support of candidates on the federal, state and local level. It files reports with the Commission and The Washington State Public Disclosure Commission.

(e) The Washington State Republican Party (also known as The Republican State Committee of Washington) is the Republican Party Committee for the State of Washington. It is responsible for the day-to-day operations of the

85040515333

Republican Party at the state level, and it provides support for local and state Republican Party candidates in the State. It does not report to the Federal Elections Commission, and maintains no federal accounts, although a separate entity known as the Washington State Republican Federal Campaign Committee is registered with the Commission.

III

Background

A. Growing Involvement of National Party Committees in Non-Federal Accounts

In connection with recent Presidential and other federal elections, the national party committees have raised and spent substantial sums of money that could not be contributed directly to a federal campaign. According to a number of press reports, the Reagan-Bush campaign in 1980 raised \$10 to \$15 million in 1980 for such purposes. (Tom B. Edsall, "Reagan Campaign Gearing Up Its Soft Money Machine For 1984", The Washington Post, November 27, 1983, p. A17; Brooks Jackson, "Loopholes Allow Flood of Campaign Giving by Businesses, Fat Cats", The Wall Street Journal, July 5, 1984.) The Democratic Party has said that in 1983 it got over \$700,029 for its state accounts from the labor unions, \$1.3 million from corporations and "a bit more" from

95040515334

individuals who had reached their ceiling of \$25,000.

(Jackson, July 5, 1983, supra.)

According to Mr. Mark Braden, General Counsel of the Republican National Committee, the committee has similar plans during the 1984 campaign to raise and contribute non-federal money for activities at the state level. (Peter Grier, "Soft Money and '84 Campaign Financing", Christian Science Monitor, June 19, 1984, p. 4; See also, Thomas B. Edsall, "Democrats' Split Delays Opening of Fund Drive," The Washington Post, August 16, 1984, p. A4). Mr. Robert Strauss, the former Democratic Party leader, has stated "the great untold story is how much soft money the Republicans will have. It will come in carloads. They're really going to pour that money in." (Jackson, July 5, 1984, supra).

The Democrats according to press reports plan a program of their own to channel non-federal money from private donors into state parties. (Thomas B. Edsall, "Convening Democrats Target Core Donors", The Washington Post, July 12, 1984, p. A4; "Campaign 1984: Democrats Seek to Raise \$26 Million to \$42 Million in Combined Victory Fund", Bureau of National Affairs, Daily Executive Reporter, July 20, 1984, p. LL-2; Thomas B. Edsall, August 16, 1984, supra). Top Democratic National Committee officials have publicly

55040515335

pledged "a strong [soft money] effort" in 1984. (Grier, June 19, 1984, supra).

Campaign officials have made no secret of the fact that in states not prohibiting it, money for these efforts will come from corporations and labor organizations, or individuals, who could not contribute directly to federal campaigns. The General Counsel of the Republican Party has said most of that party's non-federal funds will come in 1984 from individuals who are prohibited by the federal election laws from giving additional money directly to federal candidates. (Grier, June 19, 1984, supra.)

The National Director of the Democratic National Committee, Mr. Michael Steed, has said in regard to the Democratic effort in 1984 that money will be raised from corporations and labor unions. (Thomas B. Edsall, "The Clamor for Soft Money", The Washington Post National Weekly Edition, April 30, 1984, p. 12.) He openly concedes that the technique also allows individuals who have otherwise contributed the maximum amount to federal campaigns to continue to give. He has explained "we tell our people [fund raisers] that no one can max out, because once you're maxed out federally, you can switch to nonfederal soft money." (Ibid.) Mr. Tim Finchem, Deputy Campaign Chairman of the Democratic National Committee and Deputy Campaign Chairman of the Mondale-Ferraro Campaign Committee, was

85090515336

recently quoted in the press as saying the Democratic National Committee will raise \$4 million to \$5 million in non-federal funds in connection with the fall campaign. (Edsall, August 16, 1984, supra.)

Campaign officials have publicly conceded the connection between such soft money campaigns and the federal races. According to Mr. Carlos Perez, Chairman of the GOP Hispanic registration effort in Florida known as Florida VIVA 1984, "What is at stake, is the reelection of President Reagan" (Thomas B. Edsall, April 30, 1984, supra). Dr. Tirso del Junco, Head of VIVA 1984 said concerning a 1982 effort in California funded in part by \$9.2 billion of non-federal money that "there is no doubt Pete Wilson the United States Senator benefited from this . . . On the weekend before the election we had 1,875 phones operating. We made some 1.8 million telephone calls." (Ibid). According to Mr. Tim Finchem, the Mondale campaign plans to establish non-federal money committees in many states as subsidiaries of the state Democratic Party in order to assist Mr. Mondale. According to Mr. E. William Crotty, co-chairman of a major Democratic effort to raise non-federal funds, "the money never goes directly to Mondale, but it helps indirectly." (Thomas B. Edsall, July 12, 1984, supra). Similar views have been attributed to a Democrat working on that party's \$1.4 million non-federal drive in Texas. ("Soft Money Will

85040515337

Finance Voter Signup", Thomas B. Edsall, The Washington Post, August 12, 1984, p. A4.)

It is hardly credible in light of the heavy investment of time and money by federal campaign officials in raising unregulated funds in the midst of a federal campaign that such contributions are unconnected with a federal election, or that their sole use is for non-federal purposes. The sharply increased interest in state party building in Presidential election years, and the statements of federal campaign officials reported in the press, suggest the funds are in fact contributed in connection with, and for the purpose of influencing, federal elections.

B. The Threat to the Integrity of the Federal Election Laws

The Commission has made it clear in the past that non-federal funds raised by the national party committees must be used "for the exclusive and limited purpose of influencing the nomination or election of candidates for non-federal offices." They may not be used partly in connection with, or to influence, a federal election (See AOR 79-17, July 16, 1979, pp. 7-8).

Nevertheless, the party committees continue to help raise and expend substantial sums of non-federal funds which federal party officials openly concede are for the purpose

85940515338

of influencing indirectly the Presidential race, or other federal elections. It is especially ironic that national party committees continue to speak openly of their direct involvement in raising non-federal funds to support voter registration and get out the vote drives by state party committees on behalf of a Presidential candidate, when Commission regulations specifically exclude national party committees from disbursing even federal funds to state parties who are carrying out these activities pursuant to the specific provisions of the law. (See 11 C.F.R. 100.7(b)(17)(vii) and 11 C.F.R. 100.8(b)(18)(vii)).

It is the practice of the party committees to try to isolate the non-federal funds used for party building activities from their impact on federal elections by matching such funds with other funds regulated under the federal election laws. In theory, the latter pays for the portion of the activities attributable to the federal races.

In some cases, it may be unrealistic to conclude that any of the party-building activity is unconnected with the federal election, or that any of the efforts can be attributed solely to the purpose of influencing the non-federal election. In such cases, any use of non-federal funds constitutes a serious violation of federal election laws.

85040515339

8
5
0
4
0
5
1
5
3
4
0

Even if the federal and non-federal activities can be separated, achieving a proper allocation of expenditures between the federal and non-federal campaign is essential in order to avoid wholesale violation of the federal election laws. In fact, the party committees appear to be seriously underestimating the proportion of the activity attributable to the federal elections. For example, the Republican Party in California plans to spend a total of \$10.5 million this year on voter registration, get out the vote efforts, and other party-building activities which will assist President Reagan and the other federal candidates in the state in November. According to the state party's executive director, Mr. John Meyers, only 30% of the funds for the effort will come from federal accounts. Seventy percent of the funds used in activities assisting the federal candidates as well as state candidates will come from non-federal funds. (Edsall, April 30, 1984, supra.)

As discussed in detail below in connection with the 1983 election in Washington State, this practice continues despite the clear requirement of the Commission that in making the allocation, the number of federal candidates be weighed more heavily than non-federal candidates. (See e.g. AOR 76-72, October 6, 1976, p. 1).

The failure of the national or state party committees to file any regular reports with the Commission showing the ratio between the federal and non-federal funds spent on a

party building activity makes it difficult for the Commission, and virtually impossible for the public, to determine whether the party committees are in fact employing reasonable allocation formulas that isolate all non-federal funds from any use in connection with a federal election. There is no readily apparent way for the Commission to confirm, absent a time-consuming audit, that the increasing amounts of non-federal funds being raised by party committees are being confined to non-federal purposes, and are not being used in connection with a federal election. All the public evidence and statements by party officials in fact suggest the contrary.

The actions of the respondents in connection with the U.S. Senate race in Washington in 1983 illustrate the illegal impact non-federal funds now have as a practical matter on federal elections.

IV

Specific Violations of Law Alleged

On November 8, 1983 a special election was held in the State of Washington to fill the empty seat in the U.S. Senate of the late Henry M. Jackson. That federal election was the only federal election in Washington state that November. There were in addition only a scattering of

85040515341

minor, non-federal elections at the county level. For most of the counties in the state, the only election of any kind involved the U.S. Senate race. For all practical purposes, the U.S. Senate race far outweighed in importance these miscellaneous local races in terms of the attention devoted to the races by the press, and the impact of the races on the receptivity of citizens to registration or get-out-the vote drives. Yet, both national political committees contributed substantial amounts of non-federal money just before the election to fund "party building activities" ostensibly in support of such local races. The use of such non-federal funds by the national committees affected the U.S. Senate race, and violated a number of basic provisions of the federal election laws.

A. The Facts

On information and belief the complainant states the following:

1. According to the Elections Division of the Secretary of State's Office of the State of Washington, there were no elections for federal offices in November, 1983 except for the one federal election to fill the vacant seat of the state of Washington in the U.S. Senate.
2. According to the records of the Secretary of State's office, no statewide elections were held at the non-federal level in November, 1983. A total of 9 counties held 28

85740515342

partisan contests at the county level for such offices as coroner (Spokane County), assessor, auditor, and sheriff (Whatcom County), and county council (King and Snohomish County). The Republican Party was represented by a candidate in only 20 of these 28 local races. Additional city and local races were non-partisan in nature, as were two judicial races held at that time. A complete list of all non-federal, partisan elections is attached as Attachment A to this complaint.

3. Except for the U.S. Senate race, there were no partisan elections of any type in 30 of the counties, or over 75% of the state.

4. The records of the Public Disclosure Commission of the State of Washington indicate that on October 18, 1983 the Democratic National Committee contributed \$20,000 from its Non-federal Corporate Account to the Washington State Democratic Central Committee. Mr. Michael R. Steed, National Director of the Democratic National Committee, forwarded the money to Mrs. Karen Marchioro, Chairman of the Washington Democratic Party in a letter dated October 17, 1983. The letter states "these funds are drawn from our corporate non-federal account maintained for use in connection with state and local elections in states where such funding is permissible. Thus, the funds are transferred to the state party subject to the express condition that they

85040515343

be used only for such purposes and not in connection with any federal election. . . ." A copy of the letter is attached as Attachment B to this complaint.

5. According to the records of the Public Disclosure Commission of the State of Washington the National Republican Party or its affiliates made the following contributions to the non-federal accounts of the Republican Party in the state of Washington:

(a) On September 26, 1983 the Republican National State Elections Committee contributed \$16,000 to the Washington State Republican Party for "political list development."

(b) On October 11, 1983, the Republican National State Elections Committee contributed \$6,000 to the Washington State Republican Party.

(c) On October 28, 1983 the Republican National Committee contributed \$35,000 for "party-building" to the Washington State Republican Party.

(d) On October 31, 1983 the Republican National Committee contributed \$10,000 for "party-building" to the Washington State Republican Party.

6. None of the contributions described above were reported by the respondents on Commission Form 3X as disbursements, and must therefore be considered to be non-federal funds raised and expended without regard to the limits and reporting requirements of the federal election laws.

85040515344

7. Thus, in the space of six weeks prior to the special election to fill the empty Senate seat, the two national party committees and their affiliates contributed a total of \$87,000 in non-federal funds to the Washington State parties ostensibly for the sole purpose of assisting the parties' candidates in an extremely limited number of local races such as coroner, sheriff, and county commissioner.

8. Complainant has reason to believe that the non-federal funds contributed by the national party committees were used for such traditional activities as get out the vote efforts on election day, and that the ratio of federal funds matched with the non-federal funds expended on these activities was approximately one-quarter, and in any event was less than one-half, of the total amount of federal and non-federal funds expended on these activities.

9. On July 16, 1984, complainant sent identical letters to Mrs. Karen Marchioro, Chairman of the Washington State Democratic Central Committee and to Ms. Jennifer B. Dunn, Chairman of the Washington Republican State Committee, requesting additional information obtainable only from them. A copy of one of these letters is attached as Attachment C to this complaint. The letters requested further details, for example, on exactly how the non-federal money contributed from the national party committees was used, and exactly how much federal money was used to match

85040515345

the non-federal expenditures. The same letters were also sent to the Republican and Democratic county commissioners of King County, Snohomish County, and Whatcom county. None of the committees to whom the request was sent has provided complainant to date with any of the information requested in the letters.

10. The National Republican Senatorial Committee, according to the records filed with the Commission, expended in 1983 \$230,213.45 in coordinated party expenditures between October 20, 1983 and November 22, 1983 on behalf of the party's candidate for the U.S. Senate, Mr. Daniel Evans.

11. The Democratic Senatorial Campaign Committee, according to the records of the Committee filed with the Commission, expended \$117,154.22 in coordinated party expenditures on behalf of the party's candidate for the U.S. Senate, Mr. Michael E. Lowry.

12. The maximum amount the national and state party committees were each permitted to expend under 2 U.S.C. 441a(d) on behalf of the party's candidate for the U.S. Senate seat from the state of Washington in 1983 was \$121,529.70.

B. The Law

The above facts constitute ample grounds for the Commission finding reason to believe that violations of the federal elections laws have occurred, and making a full investigation of the record. (2 U.S.C. 437g). The facts

85040515346

suggest that respondents may have violated a number of provisions of the federal election laws including the following:

1. The contribution and expenditures of the non-federal funds described above were funds in fact contributed and expended in connection with the federal election to fill the U.S. Senate seat. The use of such funds obtained from corporate treasuries or labor unions in connection with a federal election violated 2 U.S.C. 441b(a).
2. None of the non-federal funds contributed or expended by respondents as described above were for the exclusive purpose of influencing non-federal elections in Washington State in 1983 as required by Commission policies. (See e.g. AOR 79-17.) Instead, the purpose of all the contributions and expenditures was at least in part to influence the election to the U.S. Senate held at the same time. Respondents failure to include the funds described above in its reports to the Commission, even though they were used to influence a federal election, violated 2 U.S.C. 434, as well as other basic provisions of the federal election laws.
3. Even if the Commission were to conclude that the non-federal funds were in fact used solely in connection with, and solely for the purpose of influencing, non-federal elections, failure to match the non-federal funds with a sufficient ratio of federal funds violated Commission require-

85040515347

ments that such allocation be made on a reasonable basis that attributes to each candidate the benefit reasonably expected to be derived therefrom. (11 C.F.R. 106) In recognition of the dominant role the U.S. Senate race played as the only statewide race in the November election, a portion in excess of 75% of such party building activities should have been attributable to the federal election. Failure to adopt such a reasonable allocation formula resulted in substantial sums of unregulated and unreported non-federal funds in fact being used to influence the outcome of the federal election in basic violation of the limitations and reporting requirements of the federal election laws. (See e.g. AOR 78-10, Part A, August 29, 1978).

4. Since the funds described above should in whole or in part have been allocated to the federal election, they in fact constituted coordinated party expenditures by the national party committees. Since there was only one federal race in Washington State at the time, the coordinated expenditures were allocable to the party's candidates for the Senate as activity conducted specifically on his behalf. (See e.g. AOR 78-10, Part A, August 29, 1978, p. 2).

Respondents violated federal election law by failing to report such expenditures to the Commission, and by using for such purposes funds raised without regard to the requirements of the federal election laws.

85040515348

5. Even if the non-federal funds described above had in fact been raised from sources, and in amounts, permitted by the federal election laws, their use in Washington State as coordinated party expenditures would have exceeded, at least in the case of the Republican Party, the amount each national party committee was permitted to spend in the election pursuant to 2 U.S.C. 441a(d).

V

Relief Sought

On the basis of the foregoing, complainant requests that the Commission conduct a prompt and immediate investigation of the facts stated in this complaint.

The Commission's responsibility to enforce the federal election laws requires it to investigate this complaint thoroughly, and to take immediate steps to make future violations of the federal election laws less likely. The latter should include clearer guidelines as to how to allocate party building activities between federal and non-federal purposes, and the imposition of additional reporting requirements so that the Commission and the public can determine whether the allocations between federal and non-federal accounts are in fact realistic. The Commission has ample authority to impose such requirements as part of its

85040515349

authority to enforce the federal election laws. (See e.g. 2 U.S.C. 437d(a)(8) and 438(a)(8)).

In view of the publicly announced intention of both the Republican National Committee and the Democratic National Committee to continue the practices cited herein, and to directly or indirectly raise and contribute substantial amounts of non-federal funds in connection with the Presidential elections this November, it is imperative that this matter be investigated on an emergency basis and any necessary clarification of current Commission policies issued as much in advance of this year's elections as possible.

Unless this is done, public confidence in the integrity of the federal election laws will continue to be undermined.

In particular, complainant respectfully requests that the Commission -

- a) Conduct an immediate and thorough investigation of the conduct of the respondents in connection with the 1983 election.
- b) Enter into a prompt conciliation with respondents to remedy the violations of law that occurred in 1983, and impose any penalties appropriate.
- c) Issue whatever clarification of the law may be necessary in order to provide better guidance to respondents and other political committees as to (i) the circumstances under which non-federal

0
5
3
5
1
5
0
1
0
0
5
0
3
0

funds may be used at all for such party building activities as voter registration and get out the vote campaigns when such activities inevitably affect as well the federal portion of the election; and (ii) the ratios that must be used in allocating party building activities between federal and non-federal purposes.

- d) Obtain the agreement of the national and state party committees and their affiliates to observe whatever recordkeeping and reporting requirements prior to the 1984 federal elections as are necessary to make sure that illegal use of non-federal funds does not occur in connection with the 1984 federal elections.
- e) Adopt on an emergency basis a special program to monitor the activities of the national party committees related to party building, so that the Commission and the public can be sure prior to the November election that non-federal funds are not being used in connection with, or to influence, the federal elections.

85040515351

Verification

The complainant swears that the allegations and other facts in the complaint are true and correct to the best of her knowledge, information and belief.

By: Ellen S. Miller
Ellen S. Miller
Executive Director
Center for Responsive Politics
6 E Street, S.E.
Washington, D.C. 20003
(202)544-7966

Of Counsel:

Paul S. Hoff
Wellford, Wegman, Krulwich
Gold & Hoff
1775 Pennsylvania Avenue, N.W.
Washington, D.C., 20006
(202)775-0200

Subscribed and sworn to before me
this 27th day of August, 1984

Victoria Jennings
Notary Public

My Commission expires August 31, 1988

85040515352

ATTACHMENT A

WASHINGTON STATE ELECTIONS - NOVEMBER 1983

Counties With No Partisan Races

- | | | |
|------------------|---------------|------------------|
| 1. Adams | 11. Island | 21. Pend Oreille |
| 2. Benton | 12. Jefferson | 22. Pierce |
| 3. Chelan | 13. Kitsap | 23. San Juan |
| 4. Clark | 14. Kittitas | 24. Skagit |
| 5. Columbia | 15. Klickitat | 25. Skamania |
| 6. Douglas | 16. Lewis | 26. Stevens |
| 7. Franklin | 17. Lincoln | 27. Thurston |
| 8. Garfield | 18. Mason | 28. Wahkiakum |
| 9. Grant | 19. Okanogan | 29. Walla Walla |
| 10. Grays Harbor | 20. Pacific | 30. Whitman |

Counties With Partisan Races

1. Asotin County - Treasurer^{*/}
2. Clallam County - Commissioner
3. Cowlitz County - State Senator, 18th District; State Representative, 18th District; County Assessor^{*/}
4. Ferry County - Commissioner, District 2
5. King County - Assessor; County Council Districts 2, 4, 6, 8^{*/}
6. Snohomish County - Executive; County Council Districts 1, 2, ^{*/}3, 4, 5; Assessor; Auditor; County Clerk; Sheriff; Treasurer^{*/}
7. Spokane County - Coroner
8. Whatcom County - Assessor; Auditor; Sheriff^{*/}; Treasurer^{*/}
9. Yakima County - Auditor^{*/}

^{*/} No Republican Party candidate listed in these races.

85040515353

**DEMOCRATIC
NATIONAL COMMITTEE**

1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

ATTACHMENT 8

Charles T. Manatt
Chairman

October 17, 1983

Karen Marchioro, Chairman
Washington Democratic Party
1701 Smith Tower
Seattle, Washington 98104

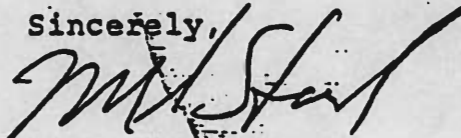
Dear Karen:

Enclosed please find a check in the amount of \$20,000. The Democratic National Committee is honored to make this contribution to the Washington State Democratic Central Committee.

These funds are drawn from our corporate non-federal account maintained for use in connection with state and local elections in states where such funding is permissible. Thus, the funds are transferred to the State Party subject to the express condition that they be used only for such purposes and not in connection with any federal election and subject to your determination that such use is in accordance with applicable state laws.

Please note that the State Party is required, within ten days following receipt of this contribution, to file a Form C-5 with the Washington Public Disclosure Commission. Failure to do so may result in the forfeiture of these funds to the state.

Sincerely,



Michael R. Steed
National Director

MRS/lm
Enclosure

93040515354



July 16, 1984

Jennifer B. Dunn
 Chairman
 Washington Republican State Committee
 9 Lake Bellevue, #203
 Bellevue, Washington 98005

Dear Ms. Dunn:

The Center for Responsive Politics is a non-profit, public interest bi-partisan organization concerned with rebuilding confidence in the legislative branch. One of the major activities of the Center is a research effort in the area of campaign finance. We have chosen several states, among them Washington State, to study the nature of state party building activities, local grass-roots get-out-the vote drives, and building of support for local candidates. We are interested in the relationship of national parties to such activities, and in the funding mechanisms for locally-oriented political activities.

In November, 1983, the State of Washington held an election, the primary purpose of which was to elect a Senator to fill the then vacant U.S. Senate seat of the late Henry M. Jackson. We are aware that other local races were contested at the same time. It is our understanding that nine counties had approximately 30 partisan races at issue. It is our understanding that the individuals who ran for city offices were elected on a non-partisan basis. We are also aware that there was one special election for a State House and State Senate seat, and two Court races.

In our attempt to understand the kind of support which both the state and the national Republican party provides in this kind of election we would very much appreciate your cooperation in providing to the Center, in a timely fashion, the following information and materials:

I. (1-5) Nature and Sources Contributions

1. The amount, the nature, the timing and total of contributions pursuant to Section 441 a (d) from the Republican National Committee party, the Republican Senatorial Campaign Committee, and/or the Republican Congressional Campaign Committee for the calendar year 1983.

85040515359

2. The amount, the nature, the timing and total of all additional contributions from the Republican National Committee party, the Republican Senatorial Campaign Committee, and/or the Republican Congressional Campaign Committee for the calendar year 1983, and the purpose of such contributions.

3. A list of all out of state donors who contributed during calendar year 1983 and the amount contributed.

4. The names of and purposes of accounts into which each of these funds were placed.

5. The cash on hand from all sources from each of the Committee's federal and non-federal accounts on September 30, 1983, December 30, 1983, and November 30, 1983.

II. (6-7)

In connection with each of the contributions described in 1-3 above, we would appreciate the following additional information, broken down to identify the type of funds used in full or in part in each case:

6. The precise expenditures allocated to each contribution and the type of services provided. For example, if funds were spent on consultant or computer services we would appreciate an indication of specific services provided and your reason for identifying them as federal or non-federal in purpose.

7. Copies of any campaign material in whole or in part by any of the contributions.

We would appreciate copies of any of your records which would help us better understand the nature of the support which you received.

On behalf of the Center, let me thank you for your assistance in our research. We would very much appreciate your response to these questions as soon as possible. If you have any questions or need further clarification regarding these matters, please do not hesitate to call.

Sincerely,

Ellen S. Miller
Executive Director

ESM/lrw

cc. Monograph

List of Board of Directors

85040515356

From Joseph A. Rieser, Jr.
REED SMITH SHAW & McCLAY
1150 CONNECTICUT AVENUE, N.W.
SUITE 900
WASHINGTON, D.C. 20036

To
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 29, 1984

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

ATTENTION: ANDY MAIKOVICH

FROM: SHAWN WOODHEAD
SENIOR COMPLIANCE ANALYST
COMPLIANCE BRANCH, REPORTS ANALYSIS DIVISION

SUBJECT: MUR 1766 - REPUBLICAN NATIONAL COMMITTEE
- EXPENDITURES (RNC)

Please review the attached Request for Additional Information which is to be sent to the Republican National Committee - Expenditures for the 1984 October Monthly Report. If no response or an inadequate response is received, a Second Notice will be sent.

Any comments which you may have should be forwarded to RAD by 5:00 p.m. on Wednesday, October 31, 1984. Thank you.

COMMENTS:

Attachment

8504051538



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Jack McDonald, Treasurer
National Republican Congressional
Committee Expenditures
320 First Street, SE
Washington, DC 20003

Identification Number: C00075820

Reference: August Monthly Report (7/1/84-7/31/84)

Dear Mr. McDonald:

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

-Your report discloses payments on Schedule D to Double Envelope and Envelopes Unlimited, which have not been recorded on Schedule B. Debt reductions must be reflected on Schedule B as well as on Schedule D. 2 U.S.C. §434(b) (5) (D).

-Please clarify the purpose of the payment to SFM Media Corporation. If a portion or all of this expenditure were made on behalf of specifically identified Federal candidates, it should be disclosed on Schedule B or F for Line 21 or 23 and include the amount, name, address and office sought by each candidate. 11 CFR 104.3(b) and 106.1.

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 523-4048.

Sincerely,

Pamela Brown
Senior Reports Analyst
Reports Analysis Division

85040515359



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Jack McDonald, Treasurer
National Republican Congressional
Committee-Expenditures
320 First Street, SE
Washington, DC 20003

Identification Number: C00075820

Reference: September Monthly Report (8/1/84-8/31/84)

Dear Mr. McDonald:

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

-Please clarify the purpose of the payments to SFM Media Corporation. If a portion or all of these expenditures were made on behalf of specifically identified Federal candidates, they should be disclosed on Schedule B or F for Line 21 or 23 and include the amount, name, address and office sought by each candidate. 11 CFR 104.3(b) and 106.1.

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 523-4048.

Sincerely,

A handwritten signature in cursive script, reading "Pamela Brown", is written over a horizontal line.

Pamela Brown
Senior Reports Analyst
Reports Analysis Division

0
9
3
5
1
5
0
4
0
5
0
2



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

William J. McManus, Treasurer
Republican National Committee-
Expenditures
310 First Street, SE
Washington, DC 20003

Identification Number: C00003418

Reference: October Monthly Report (9/1/84-9/30/84)

Dear Mr. McManus:

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

-Schedule D of your report discloses a debt payment of \$337.39 from Ms. Ranny Riecker. Schedule A of your report, however, does not disclose the receipt of this payment. Please explain this discrepancy.

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 523-4048.

Sincerely,

Lisa Stolaruk
Senior Reports Analyst
Reports Analysis Division

85040515361



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 18, 1984

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

ATTENTION: ANDY MAIKOVICH

FROM: SHAWN WOODHEAD *AW*
SENIOR COMPLIANCE ANALYST
COMPLIANCE BRANCH, REPORTS ANALYSIS DIVISION

SUBJECT: MUR 1766 - WASHINGTON STATE REPUBLICAN FEDERAL
CAMPAIGN COMMITTEE

Please review the attached Request for Additional Information which is to be sent to the Washington State Republican Federal Campaign Committee for the 1984 Amended April Quarterly Report. If no response or an inadequate response is received, a Second Notice will be sent.

Any comments which you may have should be forwarded to RAD by 5:00 p.m. on September 20, 1984. Thank you.

COMMENTS:

Attachment

85940515362



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-2

Larry W. Wells, Treasurer
Washington State Republican
Federal Campaign Committee
9 Lake Bellevue, Suite 203
Bellevue, WA 98005

Identification Number: C00031088

Reference: April Quarterly Amended Report (1/1/84-3/31/84)

Dear Mr. Wells:

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

-The beginning cash balance of this report should equal the ending balance of your 1983 Year End report. Please clarify this discrepancy and amend any subsequent report(s) which may be affected by this correction.

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 523-4048.

Sincerely,

Edward Ryan

Edward Ryan
Reports Analyst
Reports Analysis Division

3
6
3
5
1
5
0
4
0
5
8



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 5, 1984

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

ATTENTION: ANDY MAIKOVICH

FROM: SHAWN WOODHEAD *SW*
SENIOR COMPLIANCE ANALYST
COMPLIANCE BRANCH, REPORTS ANALYSIS DIVISION

SUBJECT: MUR 1766: REPUBLICAN NATIONAL COMMITTEE (RNC)

Please review the attached Request for Additional Information which is to be sent to the RNC for the 1984 October Quarterly Report. If no response or an inadequate response is received, a Second Notice will be sent.

Any comments which you may have should be forwarded to RAD by 12:00 noon on Friday, December 7, 1984. Thank you.

COMMENTS:

Attachment

25040515364



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-2

**William J. McManus, Treasurer
Republican National Committee-
Contributions
310 First Street, SE
Washington, DC 20003**

Identification Number: C00003376

Reference: October Quarterly Report (7/1/84-9/30/84)

Dear Mr. McManus:

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

-Your report discloses contributions which may have been drawn on corporate accounts (examples of such contributions are attached). You are advised that contributions from corporations are prohibited by the Act, unless made from separate segregated funds established by the corporations. (2 U.S.C. §441b) If you have received corporate contributions, the Commission recommends that you refund the full amounts to the donors, or transfer the funds to a non-Federal account. Please inform the Commission immediately in writing and provide a photocopy of your check(s) for the refund(s) or transfer(s)-out. In addition, the disbursement should be itemized on Schedule B for Line 26a or 27 of your next report.

Although the Commission may take further legal steps concerning the acceptance of prohibited contributions, prompt action on your part to refund or transfer-out any such prohibited contributions will be taken into consideration.

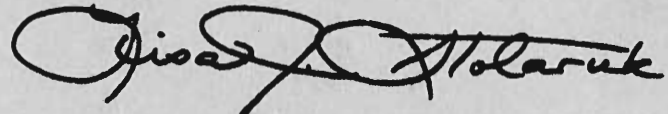
If you find, however, that the contributions in question were not drawn from prohibited corporate accounts, and there is another explanation regarding the manner in which such entries have been disclosed, please clarify this matter for the public record.

-Schedule B for Line 26(c) discloses a contribution refund of \$10,000 to Titsch & Assoc. A cursory review of your 1984 reports, however, indicates that the contribution was not itemized. Please explain this discrepancy.

85040515365

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 523-4048.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lisa J. Stolaruk", with a large, stylized initial "L" and "S".

Lisa J. Stolaruk
Senior Reports Analyst
Reports Analysis Division

85040515366

REPUBLICAN NATIONAL COMMITTEE - CONTRIBUTIONS

PAGE 367

ITEMIZED REPORT COVERING PERIOD FROM 7/01/84 THRU 9/30/84 OVER 0200.00

NAME AND ADDRESS	OCCUPATION/PLACE OF BUSINESS	DATE	THIS CALENDAR PERIOD	YR-TO-DATE
MR. RICHARD HENSLEY APARTMENT 40 2525 MORRIS ROAD COLUMBUS GA 31907	INFORMATION REQUESTED 7/09/84	7/09/84 7/09/84	\$100.00 \$100.00	\$400.00
MR. JAMES HEFURN 50 HINDING LANE AVON CT 06001	INFORMATION REQUESTED 7/30/84	7/30/84	\$250.00	\$250.00
MR. & MRS. TED HEFURN 6417 PEPPERELL LANE CINCINNATI OH 45236	BUSINESS BROKER	7/16/84	\$850.00	\$1,350.00
MR. IRE HEPPER HENRICO TOOL & DIE COMPANY 405 DABBS HOUSE ROAD RICHMOND VA 23223	EXECUTIVE HENRICO TOOL AND DIE CO.	7/27/84	\$150.00	\$642.50
MR. H. C. HEPPENHEIMER III BOX 1857 EAST HAMPTON NY 11937	REAL ESTATE	7/31/84	\$300.00	\$900.00
MR. WAYNE K. HEPPLER 410 SANTA ROSA DRIVE LOS GATOS CA 95030	Businessman Gould-Deanza	9/04/84	\$1,000.00	\$1,000.00
MR. DANIEL H. HERBERT 130 AINSWORTH AVENUE EAST BRUNSWICK NJ 08816	Owner Herbert Sand Co.	8/14/84	\$2,000.00	\$2,000.00
MRS. G. R. HERBERG BOX 502 3700 W. WHEATHORE DR. LOUISVILLE KY 40215	INFORMATION REQUESTED 9/04/84	9/04/84	\$100.00	\$575.00
Mr. Gavin Herbert 2525 DUPONT DRIVE IRVINE CA 92713	Chairman Allergan Pharmaceutical, Inc.	8/28/84	\$10,000.00	\$10,000.00
MR. JAMES H. HERBERT II 2634 VALLEJO STREET SAN FRANCISCO CA 94123	BANKER SAN FRANCISCO BANCORP	8/08/84	\$10,000.00	\$10,000.00

85040515367

REPUBLICAN NATIONAL COMMITTEE - CONTRIBUTIONS

PAGE 336

ITEMIZED REPORT COVERING PERIOD FROM 7/01/64 THRU 9/30/64 OVER 0200.00

NAME AND ADDRESS	OCCUPATION/PLACE OF BUSINESS	DATE	THIS CALENDAR PERIOD	YE-TD-OTY
MR. HERBERT HARGOE 2049 BUTTERNUT CIR. N CLEARWATER FL 33575	INFORMATION REQUESTED 7/02/64	7/02/64	050.00	0350.00
MRS. HELEN C. HARGOLD YORKTOWN HOTEL YORK PA 17405	INFORMATION REQUESTED 9/28/64	8/06/64 9/28/64	075.00 075.00	0250.00
MR. LESTER C. HARGACH 3704 IRONWOOD PLACE ANDERSON IN 44011	RETIRED	7/30/64	0150.00	0300.00
MR. D. E. HARDENBROOK APARTMENT 174 44045 N. 15TH ST. N. LANCASTER CA 93534	INFORMATION REQUESTED 7/05/64	7/05/64	0100.00	0375.00
MR. DAVID E. HARDEN FRANK S HARDEN CO MC CONNELLSVILLE NY 13401	EXECUTIVE HARDEN FURNITURE CO.	8/02/64	0500.00	01,000.00
MRS. M. G. HARDERS 5521 EAST HIGHWAY 90 PANAMA CITY FL 32404	HOUSEWIFE	8/30/64	0200.00	0400.00
MR. M. K. HARDEY 3377 KAIHUKI AVENUE HONOLULU HI 96816	RETIRED	7/16/64 9/17/64	0650.00 0500.00	01,350.00
MS. AUDREY G. HARDIN 1302 9TH AVE FAIRBANKS AK 99701	INFORMATION REQUESTED 8/30/64	8/30/64	0150.00	0250.00
MRS. CATHERINE HARDING 210 TOWER ST WATERVILLE NY 13400	INFORMATION REQUESTED 7/25/64	7/25/64	0100.00	0250.00
MR. EVERETT H. HARDING NORTHUMBERLAND CNTY LOTTSBURG VA 22511	ELDERLY RETIRED RETIRED	8/20/64 8/30/64	025.00 0100.00	0375.00

85040515368

1

11

REPUBLICAN NATIONAL COMMITTEE - CONTRIBUTIONS

PAGE 322

ITEMIZED REPORT COVERING PERIOD FROM 7/01/84 THRU 9/30/84 OVER \$200.00

NAME AND ADDRESS	OCCUPATION/PLACE OF BUSINESS	DATE	THIS CALENDAR PERIOD	YTD-TOTAL
DR. SILVER S. HANELL IV GULF OIL AUSTRALIA PTY., LTD. P. O. BOX 2100 HOUSTON TX 77001	GULF OIL AUSTRALIA PTY., LTD.	8/02/84	\$100.00	0700.00
MR. HARVEY A. HAMILTON ROUTE 1 BELLVILLE OH 44813	INFORMATION REQUESTED 9/17/84	8/13/84 9/17/84	\$100.00 \$100.00	0300.00
JUDGE HOYT B. HAMILTON S 15TH NORTH PELL CITY AL 36125	INFORMATION REQUESTED 9/05/84	7/30/84 9/05/84	\$100.00 \$100.00	0300.00
MRS. JANE H. HAMILTON S FOLD CLUB RD DENVER CO 80209	INFORMATION REQUESTED 9/23/84	9/23/84	\$150.00	0300.00
MR. & MRS. KERN HAMILTON 162 TWIN OAKS DRIVE LOS GATOS CA 95030	INFORMATION REQUESTED 8/03/84	7/06/84 8/03/84	\$50.00 \$100.00	0250.00
MRS. RAYMOND C. HAMILTON P. O. BOX 485 DANLONGBA GA 30533	RETIRED	7/05/84 7/27/84 9/26/84	\$50.00 \$100.00 \$50.00	0425.00
MR. S. THOMAS HAMILTON JR. HAMILTON & COMPANY BOX 6370 VERO BEACH FL 32960	HAMILTON & CO.	9/12/84	\$250.00	0500.00
MR. SAMUEL C. HAMILTON 127 FIREBIRD-LAKEMAY AUSTIN TX 78734	RETIRED	8/23/84	\$100.00	0350.00
DR. WILLIAM G. HAMILTON 343 WEST 50TH STREET NEW YORK NY 10019	INFORMATION REQUESTED 7/16/84	7/16/84	\$850.00	0850.00
MR. LAMONT R. HAMLIN ROUTE 4, BOX 4120 GRAYLING MI 49738	CONSTRUCTION	7/02/84	\$150.00	0400.00

85040515369

1

11

REPUBLICAN NATIONAL COMMITTEE - CONTRIBUTIONS

PAGE 493

ITEMIZED REPORT COVERING PERIOD FROM 7/01/84 THRU 9/30/84 OVER 0200.00

NAME AND ADDRESS	OCCUPATION/PLACE OF BUSINESS	DATE	THIS CALENDAR PERIOD 1/1-12-84	
MR. & MRS. KEN GREENBERG 3441 FAIRDAKE BLVD. SACRAMENTO CA 95825	INFORMATION REQUESTED 9/24/84	8/18/84 8/18/84 8/18/84 9/24/84	025.00 025.00 025.00 075.00	0200.00
MRS. MARY C. GREENWOOD 429 BROADHEAD ROUTE 1 IL 61044	RETIRED	7/02/84 8/08/84 8/18/84 9/18/84 9/24/84	025.00 025.00 025.00 025.00 025.00	0215.00
MR. MAURICE R. GREENBERG AMERICAN INTL. GROUP 70 FINE STREET NEW YORK NY 10020	AMERICAN INTL. GROUP <i>President</i>	7/24/84 7/24/84	05,000.00 05,000.00	010,000.00
MR. MEL GREEN 2003 NORTH 5TH STREET COEUR D'ALENE ID 83814	INFORMATION REQUESTED 9/17/84	7/02/84 9/17/84	0100.00 0100.00	0200.00
MR. NORMAN H. GREENBERG 400 EAST 85TH STREET NEW YORK NY 10020	GREENBERG & GREENBERG	9/11/84	0247.50	0742.50
MR. NORMAN GREENBERG 110 EAST 59TH STREET NEW YORK NY 10022	INFORMATION REQUESTED 8/13/84	8/13/84	0100.00	0250.00
MR. RAYMOND T. GREEN P. O. BOX 546 THAIN HARTE CA 95383	RETIRED	7/16/84 8/06/84 8/24/84	025.00 025.00 050.00	0225.00
MRS. ROBERT S. GREEN BOX 223 ELKHART IL 62634	INFORMATION REQUESTED 9/25/84	9/25/84	0310.00	0940.00
MR. RUSSELL H. GREEN JR. P. O. BOX 965 HEALDSBURG CA 95440	HOOT OHL CREEK VINEYARDS	8/14/84	010,000.00	010,000.00

85040515370

ITEMIZED REPORT COVERING PERIOD FROM 7/01/84 THRU 9/30/84 OVER \$298.00

NAME AND ADDRESS	OCCUPATION/PLACE OF BUSINESS	DATE	THIS CALENDAR PERIOD	YR-TO-DATE
MR. DAVID H. WHITE P. O. BOX 447 BOFFETON MI 48045	ARCHITECT	7/29/84	\$1,000.00	\$1,000.00
MISS DOROTHY H. WHITE 6797 S SHEARMAN LN. MALIBU CA 90265	REGISTERED DIETITIAN - SELF	9/13/84	\$250.00	\$250.00
MR. ENDSLEY WHITE 36746 BUTTERNUT RIDGE ELYRIA OH 44035	INFORMATION REQUESTED 8/27/84	8/27/84	\$100.00	\$400.00
MR. GILBERT WHITE 4905 ESCALON AVENUE Los Angeles, CA 90043	INFORMATION REQUESTED 8/16/84	8/16/84	\$1,000.00	\$1,100.00
MR. H. DEE WHITE TRIANGLE OIL COMPANY 201 WEST 4TH STREET MT. CARMEL IL 62863	OIL PRODUCER HIDEE WHITE	8/03/84	\$200.00	\$400.00
MR. HARRY R. WHITE 60 PEELS LN. LOCUST VALLEY NY 11560	INFORMATION REQUESTED 9/05/84	7/27/84 9/05/84	\$75.00 \$75.00	\$300.00
MR. HUBERT C. WHITE ROUTE 1, BOX 172 COOKEVILLE TN 38501	INFORMATION REQUESTED 9/06/84	7/16/84 7/18/84 8/09/84 9/06/84	\$50.00 \$50.00 \$50.00 \$75.00	\$375.00
MR. J. R. WHITEHEAD P.O. BOX 348 JACKSON AL 36545	INFORMATION REQUESTED 8/28/84	8/08/84 8/28/84	\$100.00 \$100.00	\$250.00
MR. J. RAYMOND WHITE LOT 155 3401 PECAN MCALLEN TX 78501	INFORMATION REQUESTED 9/21/84	9/21/84	\$212.00	\$462.00

005040515371



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 12, 1984

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

ATTENTION: ANDY MAIKOVICH

FROM: SHAWN WOODHEAD *SW*
SENIOR COMPLIANCE ANALYST
COMPLIANCE BRANCH, REPORTS ANALYSIS DIVISION

SUBJECT: MUR 1766: DNC SERVICES CORPORATION/DNC (DNC)

Please review the attached Request for Additional Information which is to be sent to the DNC for the 1984 New and Amended September Monthly Reports. If no response or an inadequate response is received, a Second Notice will be sent.

Any comments which you may have should be forwarded to RAD by 12:00 noon on Friday, December 14, 1984. Thank you.

COMMENTS:

Attachment

27515372



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-2

Paul G. Kirk Jr., Treasurer
DNC Service Corporation/
Democratic National Committee
1625 Massachusetts Avenue, NW
Washington, DC 20036

Identification Number: C00010603

Reference: September Monthly Report (8/1/84-8/31/84) and
September Monthly Amendment Report dated 10/17/84

Dear Mr. Kirk:

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

-The totals listed on Lines 19 and 23, Column B of the Detailed Summary Page appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B Totals.

-The total amount of contributions itemized on Schedule A, plus the total amount of unitemized contributions reported on the Detailed Summary Page, should equal the total reported on Line 11(a) of the Detailed Summary Page. Please amend either Schedule A or the Detailed Summary figures to correct this discrepancy. 11 CFR 104.3(a).

In reference to your Amended September Monthly Report (10/17/84):

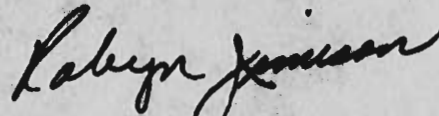
-Schedule F of your report discloses a transfer of \$10,000 to the North Carolina Democratic Party. Please clarify the purpose of this transfer.

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission

85040515373

within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 523-4048.

Sincerely,



Robyn Jameson
Reports Analyst
Reports Analysis Division

85040515374



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 3, 1985

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

ATTENTION: ANDY MAIKOVICH

FROM: SHAWN WOODHEAD *[Signature]*
SENIOR COMPLIANCE ANALYST
COMPLIANCE BRANCH, REPORTS ANALYSIS DIVISION

SUBJECT: MUR 1766: DNC SERVICES CORPORATION/DEMOCRATIC
NATIONAL COMMITTEE (DNC)

Please review the attached Request for Additional Information which is to be sent to the DNC for the 1984 12 Day Pre-General Report. If no response or an inadequate response is received, a Second Notice will be sent.

Any comments which you may have should be forwarded to RAD by 12:00 noon on Monday, January 7, 1985. Thank you.

COMMENTS:

Attachment



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 14, 1985

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

ATTENTION: ANDY MAIKOVICH

FROM: SHAWN WOODHEAD *[Signature]*
SENIOR COMPLIANCE ANALYST
COMPLIANCE BRANCH, REPORTS ANALYSIS DIVISION

SUBJECT: MUR 1766: WASHINGTON STATE REPUBLICAN FEDERAL
CAMPAIGN COMMITTEE

Please review the attached Request for Additional Information which is to be sent to the Washington State Republican Federal Campaign Committee for the 1984 12 Day Pre-General Report. If no response or an inadequate response is received, a Second Notice will be sent.

Any comments which you may have should be forwarded to RAD by 12:00 noon on Wednesday, January 16, 1985. Thank you.

COMMENTS:

Attachment

95040515376



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-2

Larry W. Wells, Treasurer
Washington State Republican
Federal Campaign Committee
9 Lake Bellevue
Bellevue, WA 98005

Identification Number: C00031088

Reference: 12 Day Pre-General Report (10/1/84-10/17/84)

Dear Mr. Wells:

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

-Schedule A supporting Line 12 discloses a transfer-in from the Republican National Committee. Schedule B supporting Line 19 reflects payments for printing, postage-slate mail, and direct mail. Payments for printing, postage for slate mail, and direct mail (sometimes called "exempt activity") are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used including distribution by direct mail; all funds used for the activity must be permitted under the act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. (See 11 CFR 100.7(b)(15) and (17) and Pages 11 and 12 of the Campaign Guide for Party Committees.)

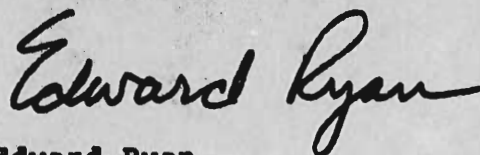
Please clarify the nature of the transfers-in and subsequent payments for printing, postage for slate mail, and direct mail. If the activity disclosed on your report does not meet the definition of "exempt" activity as described above, and a portion or all of the expenditures were made on behalf of specifically identified candidates, the activity must be disclosed on Schedule B or F for Line 21 or 23 of the Detailed Summary Page, as appropriate.

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission

005040515377

within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 523-4048.

Sincerely,

A handwritten signature in cursive script that reads "Edward Ryan". The signature is written in dark ink and is positioned above the typed name and title.

Edward Ryan
Reports Analyst
Reports Analysis Division

85040515378



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 7, 1985

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

ATTENTION: ANDY MAIKOVICH

FROM: SHAWN WOODHEAD
SENIOR COMPLIANCE ANALYST
COMPLIANCE BRANCH, REPORTS ANALYSIS DIVISION

SUBJECT: MUR 1766: REPUBLICAN NATIONAL COMMITTEE
- EXPENDITURES

Please review the attached Requests for Additional Information which are to be sent to the Republican National Committee - Expenditures for the 1984 12 Day Pre- and 30 Day Post General Reports. If no response or an inadequate response is received, a Second Notice will be sent.

Any comments which you may have should be forwarded to RAD by 12:00 noon on Wednesday, January 9, 1985. Thank you.

COMMENTS:

Attachment

83040515373



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-2

William J. McManus, Treasurer
Republican National Committee -
Expenditures
310 First Street, SE
Washington, DC 20003

Identification Number: C00003418

Reference: 12 Day Pre-General Report (10/1/84-10/17/84)

Dear Mr. McManus:

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

-Please identify the name and address of the recipient candidate/committee for the in-kind contribution(s) disclosed on Schedule B for Line 21.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule F of your report (Coordinated Expenditures) to clarify the following descriptions: "Voter Reg. Costs," "Voter Program" and "Voter Contact." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR 104.3(b)(3).

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 523-4048.

Sincerely,

Lisa J. Stolaruk
Senior Reports Analyst
Reports Analysis Division

3
5
0
4
0
5
1
5
3
8
0



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

William J. McManus, Treasurer
Republican National Committee -
Expenditures
310 First Street, SE
Washington, DC 20003

Identification Number: C00003418

Reference: 30 Day Post-General Report (10/18/84-11/26/84)

Dear Mr. McManus:

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

-Schedule F supporting Line 23 discloses an expenditure of \$16,919 to the Missouri Republican State Committee and an expenditure of \$20,000 to Connecticut GOTV, the purpose of which have been listed as "Transfer-Out". Please provide greater clarification regarding the nature of these coordinated expenditures.

-Your report discloses in-kind contributions made on behalf of Federal candidates. The original payments for the goods and services have been itemized as operating expenditures and included in the total for Line 19 of the Detailed Summary Page. In addition, the attribution to each Federal candidate has been noted as a memo entry on supporting Schedule B for Line 21 (Contributions to Federal Candidates and Other Political Committees).

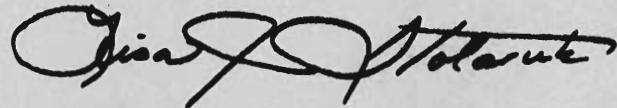
For future reporting, it is recommended that the amount of such activity be subtracted from Line 19 and added to Line 21 of the Detailed Summary Page. This method of reporting would clarify the public record to the extent that the total amount of contributions to Federal candidates (including in-kind contributions) would be reflected on Line 21 of the Detailed Summary Page.

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission

1
3
5
1
5
0
1
5
0
3

within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 523-4048.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lisa J. Stolaruk". The signature is fluid and cursive, with the first name "Lisa" and last name "Stolaruk" clearly distinguishable.

Lisa J. Stolaruk
Senior Reports Analyst
Reports Analysis Division

85040515382



FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 176/p

Date Filmed 3/19/85 Camera No. --- 13

Cameraman AS

85040515383