



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2457

DATE FILMED 9/9/00 CAMERA NO. 2

CAMERAMAN K.A.U.

88040713833

HILL
&
BARLOW

ONE INTERNATIONAL PLACE
BOSTON - MASSACHUSETTS 02110

TELEX 84-088 TELECOM 430-3550
TELEPHONE (617) 430-3550

RECEIVED AT THE FEC

QCC# 3520

87 JUN 2 09:58

THWTV 2457

May 27, 1987

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

Re: Complaint - "Elect 88" (formerly "Draft Mike")
Paul F. Sanford, Chairman, 105 Charles Street,
Suite 500, Boston, MA 02114 (formerly P.O. Box 250
State House, Boston, MA 02133)

Dear Madam or Sir:

I am assisting the Dukakis for President Committee, Inc., the principal campaign committee organized on behalf of Governor Michael S. Dukakis pursuant to the provisions of the Federal Election Campaign Act of 1971, as amended ("Act"). This is a complaint against the above-named persons, and others with whom they have acted. It is submitted in three copies and has been sworn to by me under the provisions of 11 CFR Section 111.4.

Enclosed please find a form of solicitation letter dated January 25, 1987 from Paul S. Sanford attaching a sample advertisement. (Appendix A) A similar form of solicitation letter was sent to many persons who have contributed funds to Governor Dukakis's recent gubernatorial campaign apparently from names obtained from the state Office of Campaign and Political Finance. Upon receiving complaints from a number of supporters and contributors about Appendix A, the then Campaign Manager of Governor Dukakis's state campaign committee wrote a letter on January 29, 1987 asking Mr. Sanford to cease his unauthorized solicitations. A copy of that letter is attached as Appendix B. The solicitations in the form of Appendix A continued,

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OFFICE OF THE
GENERAL COUNSEL

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&
BARLOW**

General Counsel
Federal Election Committee
May 27, 1987
Page 2

and on March 3, 1987, the Treasurer of the Dukakis State campaign committee sent a letter to Mr. Sanford asking that he cease his fund raising activities and advising him that the form of solicitation letter ran the risk of violating FEC regulations. A copy of the March 3rd letter is included as Appendix C, together with the return receipt showing delivery of this letter.

Subsequently Governor Dukakis became a presidential candidate. Most recently, a new solicitation letter in the form of that enclosed under date of May 4 (Appendix D) has been mailed to past Dukakis contributors.

This pattern of events shows that while "Draft Mike" changed its name to "Elect 88", and changed its address from "P.O. Box 250, State House, Boston, MA 02133" to "105 Charles Street, Suite 500, Boston, MA 02114", the committee nevertheless is continuing to hold itself out, without authorization, as a part of the Dukakis presidential campaign. "105 Charles Street," is a residential apartment whose present occupant has stated that she has never heard of "Elect 88". Such address was apparently chosen because it had a confusingly similar street address to the new address of the Dukakis for President Committee, Inc., which will be 105 Chauncey Street, Boston. (The previous mailing address of "Draft Mike", "P.O. Box 250, State House, Boston" also was apparently chosen to imply an association with Governor Dukakis, whose office is at the State House in Boston. In addition, although the colors do not reproduce in the copies enclosed, all of the solicitation letters have blue headings, like the blue letterhead of the Dukakis for President Committee.

Neither Governor Dukakis, the Dukakis for President Committee, nor anyone else acting on their behalf has authorized Mr. Sanford, "Draft Mike" or "Elect 88" to solicit contributions on the Governor's behalf. Nevertheless, Mr. Sanford, acting alone or with others, has continued to circulate solicitation letters and sample advertisements soliciting funds for "Elect 88". Several improprieties appear in the May 4 form of solicitation (Appendix D), even though these same improprieties were specifically pointed out with respect to the January 25 (Appendix A) solicitation.

First, FEC regulations at 11 CFR Section 110.11(a)(1)(iii) require that advertising and solicitations "not authorized by a candidate . . . shall clearly state the communication has been paid for by such person and is not authorized by any candidate or candidate's committee." The Act itself states that authorized

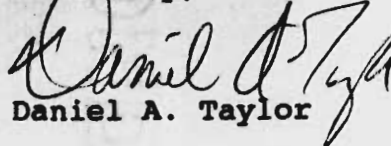
HILL
&
BARLOW

General Counsel
Federal Election Committee
May 27, 1987
Page 3

solicitations or advertisements "shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee." 2 USC Section 441d. The solicitations do not meet this disclosure requirement, and persons receiving the solicitations are misled into believing that they are contributing to the Dukakis campaign.

Second, the solicitation letters are addressed to individuals and urge "sending a check today for \$5 to \$5,000." Section 441(a)(1)(A) of the Act limits the aggregate contributions per individual to \$1,000 per election. On its face, therefore, the form of solicitation letter invites unsuspecting individuals to violate federal law. And because the statutorily required disclaimer has not been included, recipients may believe that the Dukakis campaign itself has invited the unlawful contributions.

Sincerely,


Daniel A. Taylor

DAT/jw
Enclosures

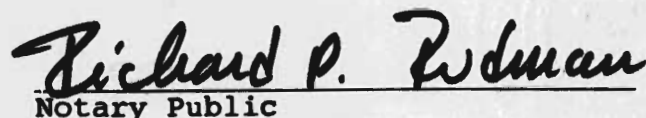
cc: John Sasso, Campaign Manager
Ed Pliner, Assistant Treasurer

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss

May 27, 1987

Then personally appeared the above-named Daniel A. Taylor, who swore that the foregoing is true as of his knowledge and belief before me.


Notary Public

My Commission Expires: 7/16/93

TAYD/A06

88040713836



DRAFT MIKE

FOR THE PRESIDENT OF THE UNITED STATES - BOSTON, MASSACHUSETTS 02108

Paul S. Sanford, Chairman
(617) 742-1055

Ms. Patricia Ivas
736 East Sixth St., #3
South Boston, MA

January 25, 1987

Dear Ms. Ivas:

We are writing to request your assistance in a matter of great urgency. Our nation today faces a leadership crisis of historic proportion. It is now more important than ever that people across the country hear about the record of Governor Mike Dukakis.

The Governor's record is so outstanding that when we present it to a broad spectrum of people here and across the nation, a natural grassroots movement will develop. It is our sincere expectation that this movement can and will propel Mike Dukakis into the White House.

There are, however, major obstacles. Any assumption on our part that there is a clear perception of Mike Dukakis nationally is erroneous. We would ask you to state the records of, say, the Governor's of Oregon, New Jersey, and Missouri to make this point.

In an information vacuum all potential candidates are equal. Having an outstanding record is of small advantage if it is not known. Americans deserve and have a right to know clearly what their options are.

For all practical purposes we face the shortest primary season in memory. Regardless of worth, a candidate will either be "in" or "out" within a period of several weeks as Iowa, New Hampshire, and the new "Super Tuesday" will in all probability determine the serious contenders for us.

Even now, across this country, major contributors and party activists are joining with candidates of lesser records, but greater recognition. If the selection process that resulted in our more recent presidential elections is an indication of the current system, then we must be ready to change that process and that system.

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On the positive side, we believe Americans will set competence and integrity as key criteria for 1988. In these areas Mike Dukakis is unsurpassed. The Governor's record is one of action, progress and overwhelming success.

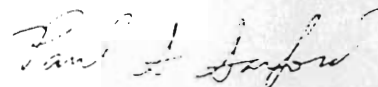
We want only for the American people to meet and know Mike Dukakis. To this end a series of full page ads has been prepared. This series will focus on the direct, positive, factual presentation of "the most effective Governor in the country". Our success in this effort will be determined by you and your support. With your help we cannot fail.

Won't you join us and contribute to the Draft Mike Committee? Your money will be used cost-effectively for the exclusive purpose of producing and financing a national media drive. This campaign will educate the electorate about the Governor's record without resorting to negative advertising.

Please help us and our country by becoming a charter member of the Draft Mike Committee and sending a check today for \$5 to \$5000. Please make your check payable to ELECT 88.

Thank you in advance for your kind consideration.

Sincerely,



Paul S. Sanford

88040713838

**NORTH CAROLINA, NEW HAMPSHIRE,
IOWA, LOUISIANA, CALIFORNIA.**

A NATION TO BE TOLD

**A series of positive presentations to
educate an electorate have begun
Join Us**

2 8 0 4 0 7 1 3 8 3 9
SAMPLE
1A-87

**Meet
Mike Dukakis.**
"The most effective
governor in the country."



A decade ago, Massachusetts was in trouble.
Unemployment was the second highest in the nation.
Jobs were disappearing at a record rate - 80,000 in 1974
alone.

State government was \$500 million in debt.

Taxes were so far above the national average they called us "Taxachusetts."

Today, they talk about the "Miracle of Massachusetts."

Unemployment is the lowest of any industrial state.

In the last three years, nearly 290,000 new jobs have been created.

The state has a substantial surplus. And taxpayers have the biggest tax cut in state history.

The burden of taxes and fees in Massachusetts is now below the national average.

And lower than 40 other states.

Personal income is climbing faster than anywhere in the country.

Integrity in government is back. So
is pride.

When *Time* magazine went look-
ing for the hottest state in the coun-
try, they picked Massachusetts.

And when *Newsweek* asked
America's governors to name the
most effective governor in the coun-
try, they picked Mike Dukakis.



PUT MIKE TO WORK FOR YOU!

He can do for a nation what he's done for a state



DRAFT MIKE

P.O. BOX 250 STATE HOUSE BOSTON MASSACHUSETTS 02111

Your donation will be used to introduce
Mike Dukakis and put him to work for all of us

BUSINESS REPLY MAIL

FIRST CLASS

PERMIT NO. 4537

BOSTON, MA

DRAFT MIKE
P.O. BOX 250
STATE HOUSE
BOSTON, MA 02133

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

88040713840

MIKE DUKAKIS.

20 PARK PLAZA, BOSTON, MA 02116 (617) 451-2480

January 29, 1987

Mr. Paul Stanford
91 West Cedar Street
Boston, MA 02114

Dear Mr. Sanford:

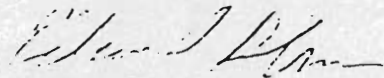
News reports have come to my attention that you have organized a committee to draft Governor Dukakis for President.

While your sentiments are appreciated, your efforts could be confusing to the public and ultimately harmful. Massachusetts law clearly states that only one political committee can be organized on behalf of a candidate, making the legality of your efforts questionable.

I therefore urge you to cease any efforts at organizing, fundraising, or gathering political support for Governor Dukakis.

Thank you in advance for your cooperation. We will contact you if he becomes a candidate.

Sincerely,



Edward Pliner
Campaign Director

38040713841

**MIKE
DUKAKIS.**

APPENDIX C

Suite 216, 20 Park Plaza, Boston, MA 02116 (617) 451-2480

March 3, 1987

Mr. Paul Sanford
P.O. Box 250
State House
Boston, MA 02133

Dear Mr. Sanford,

I am writing to ask you to cease your fundraising activities for the "Draft Mike Committee". Should you persist, you run the risk of an FEC complaint, investigation, and criminal sanctions.

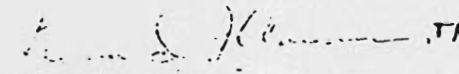
Individuals have sent us copies of your letter soliciting contributions and copies of the advertisement you propose to run.

First, FEC regulations at 11 CFR 110.11 (a)(1)(iii) require that advertising and solicitations "not authorized by a candidate...shall clearly state the communication has been paid for by such person and is not authorized by any candidate or candidate's committee." Neither the solicitation letter nor the proposed advertisement complies with this regulation. See Advisory Opinion 1976-35, August 12, 1976 for approved disclaimer form.

Second, the letter on its face addressed to an individual, urges "sending a check for \$5 to \$5,000." The Federal Election Campaign Act, 2 U.S.C. §441a (a)(1)(A) limits the aggregate contributions per individual to \$1,000 per election. On its face, therefore, the solicitation letter invites unsuspecting individuals to violate federal law.

Please inform me after you have ceased.

Sincerely,


Leonard Aronson
Treasurer

Certified Mail #P 402 622 917

88040713843

DOMESTIC RETURN RECEIPT

1. ☒ Show to whom sent and address of delivery

2. ☒ Restricted Delivery

3. Article Addressed to:
PAUL SANFORD
P. O. Box 250 - STATE HOUSE
Boston, MA 02133

4. Type of Service:
☒ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Article Number:
P 402 622 917

Always obtain signature of addressee of article and
(DATE DELIVERED)

10. Signature of Addressee:
[Signature]

11. Date of Delivery:
12/11/87

12. Addressee's Address (ONLY if restricted delivery)
PAUL SANFORD
P. O. Box 250 - STATE HOUSE
Boston, MA 02133

U.S. POSTAL SERVICE

402 622 917

RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

*** U.S.G.P.O. 1985-400-794**

PS Form 3800, June 1985

Sent to **PAUL SANFORD**

Street and No. **P. O. Box 250**

P.O. State and ZIP Code **BOSTON, MA 02133**

Postage	\$.27
Certified Fee	\$.25
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom delivered	\$.70
Return Receipt showing to whom delivered and address of delivery	
TOTAL Postage and Fees	\$ 1.67

U.S. POSTAL SERVICE



ELECT 88

Paul S. Sanford, Chairman
(617) 742-1055

Mr. Leonard J. Aronson
210 Kent Rd.
Waban, MA 02168

May 25, 1987

Dear Mr. Aronson:

We are writing to request your assistance in a matter of great urgency. As the 1988 Presidential campaign approaches, our nation faces a serious leadership crisis. It is now more important than ever that people across the country hear about the record of Governor Michael S. Dukakis.

The Elect 88 Committee has been formed for the purpose of assisting in the nomination and election of Governor Dukakis as the next President of the United States. We believe that Americans will set competence and integrity as key criteria for 1988. The Governor's record in these areas is so outstanding that when it is presented to a broad spectrum of people across the nation, a natural grassroots movement will develop. We expect this movement can and will propel Governor Dukakis to the White House.

The greatest obstacle this campaign faces is the fact that Mike Dukakis is virtually unknown outside of New England. Unfortunately, the advantage of the Governor's record of action, progress, and success will be diminished if his name recognition level is not boosted substantially.

We believe that a direct, broad-based, positive media campaign targeting certain key states will be helpful in building popular support for our candidate. To this end a series of full-page newspaper advertisements has been prepared. This series will factually and positively introduce "The Most Effective Governor in the Country."

Our first three full-page ads were placed in Iowa newspapers earlier this year. These ads (see attached sample) were favorably received by Iowa voters and they certainly boosted the Governor's name recognition there. Our advertising approach is not only practical, but also economical since paid media is relatively affordable in our targeted states.

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(2)

Educating the public about the Governor's record is made difficult by a federal law which severely limits the amount of money a candidate can spend. Due to this legal restriction, candidates who suffer from low name recognition (such as Governor Dukakis) are handicapped in their ability to produce and place the many newspaper and television ads which are so essential to becoming well-known nationally. Fortunately, our spending is not limited by this law since Elect 88 is not formally authorized by any candidate or candidate committee.

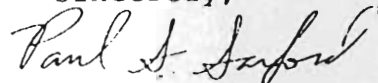
The 1988 Presidential primary season will be brief and decisive. Regardless of merit, a candidate will be "in" or "out" within a period of several weeks. The schedule dictates that Iowa, South Dakota, Wyoming, New Hampshire and other small states will determine the contenders for us. The task at hand, then, is clear. We need to focus our efforts on informing the voters in these states about Governor Dukakis and his outstanding qualifications for the Presidency.

Won't you join us and contribute to this effort? Your donation will be used cost-effectively to produce a national media campaign to educate voters about the Governor's record and character without resorting to negative advertising. With your support, we cannot fail.

Please help us and our country by becoming a charter member of Elect 88 and sending a check today for \$5 to \$5,000. Please make your check payable to ELECT 88.

Thank you in advance for your kind consideration.

Sincerely,



Paul S. Sanford
Chairman

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THIS IS A SAMPLE OF THE ADVERTISEMENT WE ARE RUNNING IN IOWA:



Meet
Mike Dukakis.
"The most effective governor in the country."

Ten years ago, Massachusetts was in trouble. Taxes were so far above the national average they called us "Taxachusetts." Unemployment was the second highest in the nation. Jobs were disappearing at a record rate: 80,000 in 1974 alone. State government was \$500 million in debt. Today, they talk about the "Miracle of Massachusetts." In the last three years, over 300,000 new jobs have been created. Unemployment is the lowest of any industrial state. The state has a substantial surplus and taxpayers have received the biggest tax cut in state history. The burden of taxes and fees in Massachusetts is now below the national average. And lower than 40 other states. Personal income is climbing faster than anywhere in the country. Integrity in government is back. So is pride.



When *Time* magazine went looking for the hottest state in the country, they picked Massachusetts.

And when *Newsweek* asked America's governors to name the most effective governor in the country, they picked Mike Dukakis.

PUT MIKE TO WORK FOR YOU!
He can do for a nation what he's done for a state.



ELECT 88
100 CHARLES STREET SUITE 500 BOSTON MASSACHUSETTS 02114

ELECT 88 MEMBER SURVEY #1

WE NEED YOUR OPINION NOW!

DO YOU AGREE... that a broad-based, factual media campaign targeting key early caucus and primary states will be helpful in building name recognition and popular support for the Dukakis Presidential Campaign?

circle one AGREE DISAGREE

Since Elect 88 is a grassroots organization, we value your ideas. Your comments would be appreciated:

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ELECT 88

55 CHARLESTOWN STREET SUITE 500 BOSTON, MASSACHUSETTS 02114

PRESIDENTIAL CAMPAIGN INFORMATION

HILL & BARLOW

RECEIVED BY: NR

DATE: 5

TIME:

Bulk Rate
U.S. Postage
PAID
Permit No.
53171
Boston, MA

Dan Taylor

02159



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 9, 1987

Daniel A. Taylor
Hill and Barlow
One International Place
Boston, MA 02110

RE: MUR 2457

Dear Mr. Taylor:

This letter acknowledges receipt of your complaint, received on June 2, 1987, alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by Draft Mike, Elect 88, and Mr. Paul S. Sanford. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 2457. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints. If you have any questions, please contact Retha Dixon, Docket Chief, at (202) 376-3110.

Sincerely,

Lawrence M. Noble
Acting General Counsel

George F. Rishel
By: George F. Rishel
Acting Associate General Counsel

Enclosures
Procedures

88040713848



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1987

Paul S. Sanford, Chairman
Draft Mike
PO Box 250
State House
Boston, MA 02133

RE: MUR 2457
Draft Mike, Paul S.
Sanford, Chairman

Dear Mr. Sanford:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2457. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. 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. Your response, which should be addressed to the General Counsel's Office, 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.

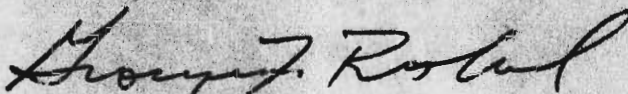
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed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

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If you have any questions, please contact Jackie Jones-Smith, the staff person assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
Acting General Counsel



By: George F. Rishel
Acting Associate General Counsel

Enclosures

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

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Thorn 2457

600 3629

RECEIVED AT THE FED

87 JUN 19 AM: 07

Elect 88 Committee
105 Charles St., # 500
Boston, MA 02114

June 15, 1987

Mr. Larry Nobel, Esq.
Acting General Counsel
Federal Election Commission
999 E St., N.W.
Washington, D.C. 20463

Dear Attorney Nobel:

As Chairman and Treasurer of the Elect 88 Committee, I am writing to notify you that our non-connected Committee inadvertently may not have complied properly with regulation 110.11 relative to communication disclaimers.

As a new committee, we have made our best effort to comply with F.E.C. regulations. In reviewing these regulations last week, we discovered our error in that although the disclaimer on our fundraising solicitations did state that "Elect 88 is not authorized by any candidate or candidate committee," it did not include the words "Paid for by Elect 88."

I want to express my sincere apologies for this omission. It had been our interpretation that the authorization statement combined with the chairman's signature and the Elect 88 logo on the letterhead fulfilled our responsibility relative to the disclaimer. Upon learning of this apparent error, I immediately took measures to correct the disclaimer for all future communications, including terminating a mailing that was in progress.

Please let me know if you require any additional information about this matter or if any further action is needed on our part.

Sincerely,



Paul Sanford
Chairman and Treasurer

88040713851

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
87 JUN 19 PM 3:46

COO# 3667
87 JUN 23 AM 11:00

Elect 88 Committee
105 Charles St., #500
Boston, MA 02114

Lawrence M. Noble
Acting General Counsel
Federal Election Commission
999 E. St., N.W.
Washington, D.C. 20463

RE: MUR 2457

Dear Mr. Noble:

I have reviewed the materials you sent regarding the complaint filed against Elect 88 and myself. Two of the three charges appear to be incorrect.

(1) Our first post office box was at the State House because at the time that the committee was formed I was employed at the State House. After hearing complaints that use of the State House box was deceptive, I rented a mailbox from Wellington News at 105 Charles Street, which is not a private residence. This was the closest rental mailbox available to my Beacon Hill apartment. It was several months ago and I had absolutely no knowledge that the Dukakis for President Committee intended to move to 105 Chauncy Street. The telephone number on our stationery was for our office phone, and not for 105 Charles Street, the location of the rented mailbox.

(2) On June 10, 1987, I spoke with Joseph Rawson, an Analyst in the Federal Election Commission Records Department. He told me that a multi-candidate committee can raise up to \$5,000 from any individual and that this does not affect what that individual can donate to a single candidate.

The attached letter, which I sent to you last week, explains my position regarding the omission of "Paid for by Elect 88". I must emphasize that this was an honest error, and a simple misunderstanding. I was under the impression that the statement, "Elect 88 is not authorized by any candidate

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or candidate committee" was a sufficient disclaimer. When I discovered (prior to receiving your June 9 letter) that it was not, I notified your office of my error and of the fact that it would not be repeated.

I am anxious to cooperate with you to resolve this matter. Please let me know if you require more information.

Sincerely,



Paul S. Sanford
Chairman and Treasurer

88040713853

STATEMENT OF DESIGNATION OF COUNSEL

GCC#4098
RECEIVED AT THE FEC

87 AUG 6 AM: 01

MUR 2457

NAME OF COUNSEL: Kenneth P. Trevett, Esq.

ADDRESS: 15 High Street

Bar Harbor, Maine 04609

TELEPHONE: 207-288-3371 (days)
~~207-288-5626 (evenings)~~

87 AUG 6 AM: 04

RECEIVED
GENERAL COUNSEL

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.

8/3/87
Date

Paul Sanford
Signature

RESPONDENT'S NAME: Paul S. Sanford, Chairman and Treasurer

ADDRESS: 105 Charles Street, #500
Boston, MA 02114

Effective August 1, 1987,
mail to Mr. Sanford
should be addressed

Temporary

HOME PHONE: 207-288-4205

BUSINESS PHONE: _____

c/o Barbara H. Sanford
Schooner Head Rd.
Bar Harbor, Maine 04609

88040713854

Kenneth P. Trevett, Attorney-at-law
15 High Street
Bar Harbor, Maine 04609
(207) 288-3371 (days)
(207) 288-5626 (evenings)

September 2, 1987

BCC # 4304
- MUR 2457

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

87 SEP -4 AM 9-00

RECEIVED
FEDERAL ELECTION COMMISSION
87 SEP -4 AM 10-23

Federal Election Commission
Washington, DC 20463

To Whom It May Concern:

On behalf of Elect 88, a nonconnected, multicandidate committee, I am enclosing a Termination Report as well as amended reports for the second half of calendar year 1986 and the first half of calendar year 1987. The 1986 report has been amended for two reasons: (1) to provide an address change for the Committee and (2) to correct the Schedule A which was sent. The 1987 mid-year report has been amended on the summary page, detailed summary page, line 13 of Schedule A, page 1, line 11 of Schedule A, page 3, and line 10 of Schedule C, page 1.

The one outstanding matter involving the committee is MUR 2457. I have reviewed the situation thoroughly and believe that two of the allegations made in the complaint have been sufficiently addressed in the Committee's response and do not constitute a violation of any regulation or law. The third allegation has been admitted, namely that mailings were issued without the statement "Paid for by Elect 88." The Committee and its Chairman/Treasurer, Paul Sanford, assured the Commission in a letter dated June 15, 1987 that it would comply in the future with all notification requirements. It has done so in its subsequent efforts.

I do hope resolution of the outstanding MUR can be facilitated expeditiously and look forward to hearing from you as to the termination of this Committee.

Sincerely,

Kenneth P. Trevett

Kenneth P. Trevett, Esq.

KPT/slc

Enclosures

xc: Jackie Jones-Smith
(enclosures not included)

88040713855

QCC#4328
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

07 SEP -8 PM 2:44

HILL
&
BARLOW

ONE INTERNATIONAL PLACE
BOSTON - MASSACHUSETTS 02110

TELEX 84-086 TELECOPIER 430-3000
TELEPHONE (617) 430-3000

September 4, 1987

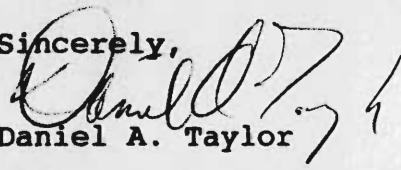
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2457

Dear Madam or Sir:

On May 27, 1987 I filed a complaint which I believe initiated MUR 2457. I have been advised by counsel assisting the individual who is the subject of that complaint that on September 1, 1987 "Elect 88" filed its Termination Report. The basic substance of the complaint was that the respondent was making unauthorized solicitations and placing unauthorized advertisements which did not state that the communication was not authorized by Michael S. Dukakis as required by 2 USC § 441d. Shortly after the complaint was filed the objectionable solicitations and advertisements apparently ceased. Since the cause of my complaint no longer exists, and indeed the committee has filed its Termination Report, I wish to withdraw my complaint. To the extent that this is not procedurally possible, I would hope that the MUR might be concluded expeditiously through a simple conciliation agreement since, from my point of view, the complaint process has achieved the desired result.

Sincerely,


Daniel A. Taylor

DAT/lac

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
07 SEP -8 PM 4:10

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

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

87 NOV -2 PM 4:53

FIRST GENERAL COUNSEL'S REPORT

SENSITIVE

MUR #: 2457
DATE COMPLAINT RECEIVED BY
OGC: June 2, 1987
DATE OF NOTIFICATION TO
RESPONDENTS June 9, 1987
STAFF MEMBER Jacqueline
Jones-Smith

COMPLAINANT: Daniel A. Taylor (Dukakis for President,
Inc.)

RESPONDENTS: Draft Mike and its treasurer
Elect 88 and Paul S. Sanford, as treasurer

RELEVANT
STATUTES:

2 U.S.C. § 431(4) (A)
2 U.S.C. § 431(11)
2 U.S.C. § 433(a)
2 U.S.C. § 434
2 U.S.C. § 437c(b) (1)
2 U.S.C. § 437d(e)
2 U.S.C. § 437g(a) (1)
2 U.S.C. § 437g(a) (2)
2 U.S.C. § 441a(a) (1) (A)
2 U.S.C. § 441a(a) (1) (C)
2 U.S.C. § 441a(f)
2 U.S.C. § 441d(a) (3)
11 C.F.R. § 100.5(e) (2)
11 C.F.R. § 100.5(e) (3)
11 C.F.R. § 110.1(h)

INTERNAL REPORTS
CHECKED:

Disclosure Reports
Candidate Index of Supporting Documents

FEDERAL AGENCIES
CHECKED:

None

I. GENERATION OF MATTER

On June 2, 1987, the Federal Election Commission (the
"Commission") received a complaint filed by Mr. Daniel A.

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Taylor, attorney for Dukakis for President, Inc.,^{1/}, alleging that Draft Mike, Elect 88 and Paul S. Sanford ("Sanford"), as treasurer of Elect 88, violated provisions of the Federal Election Campaign Act of 1971, as amended, (the "Act"). Sanford is also the chairman of Draft Mike.

The Complainant alleges, inter alia^{2/}, that:

1. Respondents mailed solicitations, to a number of past contributors to the Dukakis gubernatorial campaign, for contributions to and membership in Draft Mike and Elect 88. The solicitations were not authorized by the candidate or the principal campaign committee and did not state who paid for or authorized the solicitations.

2. The Elect 88 and Draft Mike solicitations asked for contributions of \$5 to \$5,000. "On its face the form of solicitation letter invites unsuspecting individuals to violate federal law."

Copies of an example of each solicitation were attached to the complaint.

On September 8, 1987, this Office received another letter from the complainant requesting the withdrawal of the complaint (Attachment 7).

Under 2 U.S.C. §§ 437c(b)(1) and 437d(e), the Commission is vested with exclusive jurisdiction over civil enforcement of the

^{1/} Dukakis for President, Inc. is the principal campaign committee of Governor Michael Dukakis.

^{2/} The Complainant also alleges that the Elect 88 address on the stationery used for its solicitation (105 Charles Street, Suite 500, Boston, MA) is "confusingly similar" to the new address of the principal campaign committee of Governor Dukakis (105 Chauncey Street, Boston, MA). Complainant states that the (Footnote Continued)

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Act. Moreover, the enforcement provisions of the Act make it clear that if a proper complaint is received, the Commission may proceed to determine whether there is reason to believe a violation has occurred. 2 U.S.C. § 437g(a)(1) and (2).

Accordingly, this Office recommends that the Commission send the attached letter to the complainant. The letter states that the Commission is empowered to take any action which it deems appropriate on complaints properly filed with it, and that any request for withdrawal will not prevent the Commission from taking further action in this matter. See, e.g. MUR 1603, General Counsel's Report signed August 17, 1984, and Certification dated August 28, 1984.

II. FACTUAL AND LEGAL ANALYSIS

A. Failure to Register with Commission and Report

Section 433(a) of Title 2 requires that all committees file a statement of organization with the Commission no later than ten (10) days after becoming a political committee within the meaning of 2 U.S.C. § 431(4). In addition, all committees must file

(Footnote 2 Continued)
Charles Street address is a "residential apartment whose present occupant has stated that she never heard of Elect 88." Complainant alleges that "the Committee is continuing to hold itself out without authorization, as part of the Dukakis presidential campaign." Respondents have denied this allegation in their response. This Office notes the following regarding the Charles street address: 1) a copy of the notification letter was sent to this address and was not returned, 2) this address is the return address on respondents' response to the complaint, and 3) on July 6, 1987, respondents amended their Statement of Organization and included this address as their new address. However, because this allegation, if true, does not appear to constitute a violation of the Act, it will not be addressed further in this report.

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periodic reports disclosing receipts and disbursements. 2 U.S.C. § 434. A "political committee" includes any committee, club, association or other group of persons which receives contributions or makes expenditures in excess of \$1,000 during a calendar year. 2 U.S.C. § 431(4)(A). These registration and reporting requirements also apply to "draft committees." See H.R. Rep. No. 422, 96th Cong., 1st Sess. at 15 (1979), reprinted in FEC, Legislative History of Federal Election Campaign Act Amendments of 1979 at 199 (GPO 1983); FEC v. Machinists Non-Partisan Political League, 655 F.2d 380, 395 (D.C. Cir.), cert. denied, 454 U.S. 897 (1981).

1. Draft Mike

A review of Commission reports indicates that Draft Mike has not filed a Statement of Organization with the Commission. It cannot be determined, at this time, whether Draft Mike meets the \$1,000 contribution or expenditure requirement of 2 U.S.C. § 431(4)(A). However, the complaint alleges that Draft Mike solicited contributions, and it can also be inferred that Draft Mike made expenditures to finance the solicitations and advertisements. Therefore, if the contributions or expenditures exceeded \$1,000 in a calendar year, Draft Mike was required to file a statement of organization under 2 U.S.C. § 433(a) and report its receipts and disbursements under 2 U.S.C. § 434.

The complainant asserts that Draft Mike became Elect 88. Elect 88 has not addressed this assertion in its response. The Draft Mike solicitation requested that checks be made payable to

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"Elect 88." Additionally, Elect 88 disclosure reports do not list Draft Mike as an affiliated committee. Because respondents have not contended that Draft Mike is a project of Elect 88, it is treated here as a separate political committee. This Office notes that different first class mail return permits were obtained for the Draft Mike and Elect 88 solicitations.

Accordingly, this Office recommends that the Commission find reason to believe that Draft Mike and its treasurer violated 2 U.S.C. §§ 433(a) and 434.

2. Elect 88

A review of disclosure reports revealed that on February 2, 1987, Elect 88 filed a Statement of Organization with the Commission. It is registered as a non-party related political committee.^{3/} Paul S. Sanford is the treasurer. On September 8, 1987, Elect 88 filed a Termination Report with the Commission.

Elect 88's Year End Report, covering December 14, 1986, through January 1, 1987, disclosed that it had received two \$500 contributions on December 16, 1986. It then received a \$100 contribution on December 26, 1986. See Attachment 4, p.3. Thus, on December 26, 1986, Elect 88 satisfied the statutory requirements for becoming a political committee since it had received contributions in excess of \$1,000. See 2 U.S.C. § 431(4) (A).

^{3/} In its Statement of Organization, filed on February 2, 1987, Elect 88 registered as a separate segregated fund. In response to a request from the Reports Analysis Division, Elect 88 amended its Statement of Organization on March 13, 1987, and registered as a committee that supports or opposes more than one Federal candidate. See Attachment 2, p.2-3.

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Accordingly, Elect 88 was required to file its Statement of Organization with the Commission within ten (10) days, or no later than January 5, 1987. See 2 U.S.C. § 433(a). Elect 88 did not file this statement until February 2, 1987, 28 days late. See Attachment 2.

Therefore, this Office recommends that the Commission find reason to believe that Elect 88 and Paul S. Sanford, as treasurer, violated 2 U.S.C. § 433(a).

B. Receipt of Excessive Contributions

The complaint alleges that the Elect 88 solicitations asked for contributions of \$5 to \$5,000. The Act provides that a person is prohibited from making contributions to any candidate and his authorized political committees, with respect to any election for Federal Office which, in the aggregate, exceed \$1,000. 2 U.S.C. § 441a(a)(1)(A). In addition, the Act provides that a person is prohibited from making contributions to any other political committee in any calendar year, which in the aggregate, exceed \$5,000. See 2 U.S.C. § 441a(a)(1)(C).

Pursuant to Section 441a(f) of Title 2, a political committee is prohibited from knowingly accepting any contribution in violation of the provisions of Section 441a. The Commission regulations further explain the application of limitations on contributions to political committees which support the same candidate.

Pursuant to 11 C.F.R. § 110.1(h):

(h) A person may contribute to a candidate or his or her authorized committee with respect to a particular election and also contribute

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to a political committee which has supported, or anticipates supporting, the same candidate in the same election, as long as --

(1) The political committee is not the candidate's principal campaign committee or other authorized political committee or a single candidate committee;

(2) The contributor does not give with the knowledge that a substantial portion will be contributed to or expended on behalf of, that candidate for the same election; and

(3) The contributor does not retain control over the funds.

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In addition, in response to AOR 1976-20, the Commission stated that the above statutory contribution limitations also apply to unauthorized political committees that are single candidate committees. A single candidate committee is a political committee other than a principal campaign committee which makes or receives contributions or makes expenditures on behalf of only one candidate. See 11 C.F.R. § 100.5(e)(2). The response to AOR 1976-20 stated that an individual making contributions to a single candidate committee, including unauthorized political committees, would be subject to the \$1,000 limitation of 2 U.S.C. § 441a(a)(1)(A). The response cited the legislative history of Section 441a which provides in pertinent part:

The conferees also agree that the same limitations on contributions that apply to a candidate shall also apply to a committee making expenditures solely on behalf of such candidate.^{4/}

^{4/} H.R. Rep. No. 1057, 94th Cong. 2d Sess. at 58 (1976), reprinted in FEC, Legislative History of Federal Election Campaign Act Amendments of 1976 at 1052 (GPO 1977).

The Commission concluded:

...it would be permissible under the Act for a person to do either of the following things but only one:

(1) contribute \$1,000 per election directly to a Federal candidate or the candidate's authorized committees,

(2) contribute \$1,000 per election to an unauthorized single candidate committee that makes independent expenditures on behalf of the candidate.

A person may contribute \$5,000 during a calendar year to a political committee other than the type described in (1) and (2) only if the conditions of § 110.1(h) of the proposed regulations are satisfied.

The May 25, 1987, Elect 88 solicitation states in pertinent part:

...The Elect 88 Committee has been formed for the purpose of assisting in the nomination and election of Governor Dukakis as the next President of the United States... Your donation will be used cost-effectively to produce a national media campaign to educate voters about the Governor's record and character without resorting to negative advertising...

The above language indicates that Elect 88 operated as a single candidate committee pursuant to 11 C.F.R. 100.5(e)(2) because it received contributions and made expenditures^{5/} on behalf of one candidate and is an unauthorized committee. As a single

^{5/} The 1986 Year End Report filed by Elect 88 did not disclose any expenditures on behalf of any candidate. The 1987 Mid Year Report discloses \$8,595.48 in independent expenditures but does not identify the candidate who is supported or opposed by the expenditures. However, based on the solicitations, it can be assumed that the candidate supported is Governor Dukakis.

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candidate committee, Elect 88's receipt of contributions in excess of the limitations in 2 U.S.C. § 441a(a) (1) (A) would constitute a violation of 2 U.S.C. § 441a(f).

In their response to the complaint, respondents assert that as a multicandidate committee Elect 88 can "raise up to \$5,000 from any individual and that this does not affect what the individual can donate to a single candidate." Section 100.5(e) (3) of Chapter 11 of the Code of Federal Regulations defines a multicandidate committee as:

...a political committee which (i) has been registered with the Commission, Clerk of the House or Secretary of the Senate for at least 6 months, (ii) has received contributions for Federal elections from more than 50 persons; and (iii) (except for any State political party organization) has made contributions to 5 or more Federal candidates.

Respondents assertion is unfounded. First, there is no information or evidence available that Elect 88 supported more than one candidate at the time of the May 25, 1987, solicitation. Elect 88 states in its May 25, 1987, solicitation that it was "...formed for the purpose of assisting in the nomination and election of Governor Dukakis as the next President of the United States...." Although Elect 88 amended its Statement of Organization to check that it supports more than one candidate and is not a separate segregated fund or party committee, it appears to have operated as a single candidate committee. See 11 C.F.R. § 110.1(h) (1). Although Elect 88's Termination Report (Attachment 6) discloses \$150 in contributions to four political

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committees which support candidates other than Governor Michael Dukakis these contributions were all made on August 12, 1987. Therefore, it appears that Elect 88 met all the criteria for a multicandidate committee under 11 C.F.R. § 100.5(e)(3) on August 12, 1987. Prior to August 12, 1987, information appears to indicate that Elect 88 supported only one candidate.

Second, the \$5,000 contribution limitation applies to committees only if the requirements of 11 C.F.R. § 110.1(h) are satisfied. Elect 88 fails to satisfy these requirements. The Elect 88 solicitation specifically states that contributions will be used to assist in the nomination and election of Governor Michael Dukakis. The solicitation thus identifies both the candidate and specific Federal elections. Persons making contributions in response to the Elect 88 solicitation give with the knowledge that their funds will be expended on behalf of Governor Michael Dukakis in a specific election. See 11 C.F.R. § 110.1(h)(2). Therefore, persons contributing to Elect 88 are subject to the \$1,000 per election limitation of 2 U.S.C. § 441a(a)(1)(A).^{6/}

^{6/} Additionally, in its solicitations Elect 88 requested contributions of \$5 to \$5,000. Since the complainant alleges that respondents solicited contributions from a number of past contributors to the Dukakis gubernatorial campaign, it is possible that some individuals may have contributed to both the Dukakis principal campaign committee and to Elect 88 and that these contributions may have also aggregated in excess of \$1,000. This Office, however, is not making any recommendation at this time with regard to individual contributors.

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The 1986 Year End and the 1987 Mid Year Reports filed by Elect 88 disclose \$13,750 in contributions from five individuals each in excess of \$1,000. See Attachment 4, pp.3-4 and Attachment 5. These contributions to Elect 88 are in excess of the limitations in 2 U.S.C. § 441a(a)(1)(A). Thus, Elect 88's receipt of these contributions appears to be in violation of 2 U.S.C. § 441a(f).

Accordingly, this Office recommends that the Commission find reason to believe that Elect 88 and Paul S. Sanford, as treasurer, violated 2 U.S.C. § 441a(f).

C. Failure to Provide Disclaimer

The Act provides that a person who makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a candidate, or solicits any contribution through any newspaper or direct mailing must provide a proper disclaimer. 2 U.S.C. § 441d(a). Where a communication is neither paid for nor authorized by the candidate or principal campaign committee on whose behalf it is made, the disclaimer provision of the Act requires the disclosure of both the name of the person who paid for the communication and a statement that the communication was not authorized by the candidate. 2 U.S.C. § 441d(a)(3). The Act defines "person" to include any committee, organization, or group of persons. 2 U.S.C. § 431(11).

1. Draft Mike

The complaint alleges that on or about January 25, 1987, Draft Mike mailed letters to past contributors to the Dukakis

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gubernatorial campaign.^{7/} In the sample letter attached to the complaint Draft Mike refers to itself as the "Draft Mike Committee." Therefore, it appears to be a "person" under the Act and subject to the disclaimer provisions of 2 U.S.C. § 441d(a).

In order to trigger the disclaimer requirement under the Act, the particular communication at issue must be either 1) a solicitation of a contribution through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public political advertising, or 2) an expenditure for a communication that expressly advocates the election or defeat of a clearly identified candidate. 2 U.S.C. § 441d(a). A review of the January 25, 1987 letter shows that it consisted of two parts. The first part is a cover letter which states, in pertinent part:

Won't you join us and contribute to the Draft Mike Committee? Your money will be used cost-effectively for the exclusive purpose of producing and financing a national media drive. This campaign will educate the electorate about the Governor's record without resorting to negative advertising.

Please help us and our country by becoming a charter member of the Draft Mike Committee and sending a check today for \$5 to \$5,000.

^{7/} Complainant further asserts that after the solicitation, a letter was sent to Sanford on January 29, 1987, from the principal campaign committee asking him to cease fundraising activities and advising him that the solicitation may violate FEC regulations. According to Complainant, the solicitations continued and a second letter was sent to Sanford on or about March 3, 1987, asking him to cease fundraising and advising him of a potential FEC complaint. In the September 8, 1987, request from Complainant to withdraw the complaint the Complainant states, "shortly after the complaint was filed the objectionable solicitations and advertisements apparently ceased."

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Please make your check payable to ELECT 88.^{8/}

The second part consists of a sample newspaper advertisement.

The advertisement states in pertinent part:

...A series of positive presentations to
educate an electorate have begun[.]
Join Us[.]...
Your donation will be used to introduce Mike
Dukakis and put him to work for all of us[.]

It appears that the January 25, 1987, letter and sample advertisement solicited contributions to the Draft Mike Committee and thus triggered the disclaimer requirement of

2 U.S.C. § 441d(a). No part of the solicitation contained a disclaimer that it was not authorized by any candidate or any candidate's principal campaign committee and who specifically paid for it as required by 2 U.S.C. § 441d(a)(3). It can also be inferred that the sample advertisement was run in newspapers or other publications directed to the general public.

Accordingly, the Office of the General Counsel recommends that the Commission find reason to believe that Draft Mike and its treasurer violated 2 U.S.C. § 441d(a)(3).

^{8/} This request that checks be made payable to Elect 88 suggests that Draft Mike may be a project of Elect 88. The respondents, however, have not so contended. Therefore, for purposes of the proposed investigation Draft Mike is being initially treated as a separate committee. See also Part A, *infra*. Since Draft Mike's solicitations ask that checks be made payable to Elect 88, it is possible Draft Mike has made contributions to Elect 88. Both Draft Mike and Elect 88 are apparently controlled by the same person--Paul Sanford. Therefore, they could probably be affiliated committees, in which case transfers between the two committees would be unlimited. No recommendation is made at this time regarding this issue. The recommendation relates to Draft Mike's failure to adequately state on its solicitations who paid for them and whether they were authorized by any candidate.

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2. Elect 88

The complaint also alleges that on or about May 25, 1987, respondents Sanford and Elect 88 mailed letters to past contributors of the Dukakis gubernatorial campaign. As a political committee, Elect 88 is a person under the Act and is subject to the disclaimer provisions of 2 U.S.C. 441d(a).

The May 25, 1987, letter consisted of two parts. The first part is a cover letter; the second part is a sample advertisement. The cover letter states in pertinent part:

Won't you join us and contribute to this effort? Your donation will be used cost-effectively to produce a national media campaign to educate voters about the Governor's record and character without resorting to negative advertising. With your support we cannot fail.

Please help us and our country by becoming a charter member of Elect 88 and sending a check today for \$5 to \$5,000. Please make your check payable to ELECT 88.

It appears that the letter solicited contributions and, thus, requires a proper disclaimer. The letter contained the following statement:

Fortunately, our spending is not limited by this law since Elect 88 is not formally authorized by any candidate or candidate committee.

This statement, however, did not satisfy the requirement of 2 U.S.C. § 441d(a)(3) because there was no disclosure of who paid for the solicitation. Respondents concede in their response that

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Elect 88 violated the disclaimer provisions of 2 U.S.C.

§ 441d(a) (3).^{9/}

As noted, above, the second part of the solicitation consists of a sample newspaper advertisement. The advertisement states in pertinent part:

Put Mike to work for you! He can do for a nation what he's done for the state.

The advertisement did not contain a disclaimer that it was not authorized by any candidate or any candidate's principal campaign committee and who specifically paid for it as required by 2 U.S.C. § 441d(a) (3). The Elect 88 solicitation stated that the sample advertisement was run in Iowa newspapers.^{10/} Complainant alleges that Governor Michael Dukakis was an active 1988 presidential candidate at the time of the Elect 88 solicitations. A review of the disclosure reports revealed that Governor Dukakis filed a Statement of Candidacy with the Commission on March 30, 1987. See Attachment 3. Thus, the advertisement is also subject to the disclaimer requirement of 2 U.S.C. § 441d(a) if it ran in

^{9/} Respondents further state that prior to receiving the June 9, 1987, notice of complaint, they became aware that they "inadvertantly (sic) may not have complied properly with regulation 110.11 relative to communication disclaimers," and notified the Commission by letter dated June 15, 1987. (Attachment 1) This letter was received at the Commission on June 19, 1987.

^{10/} The 1987 Mid-Year Report for Elect 88 discloses \$5,612.50 in independent expenditures for advertisements in the Des Moines Register and Osceola Sentinel Tribune, newspapers in Iowa, but does not identify the candidate who is supported or opposed by the expenditures. Based on the solicitations, it can be assumed that the expenditures were made in support of Governor Dukakis.

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any newspapers or other publications directed to the general public, on or after March 30, 1987, because it expressly advocated the election of a clearly identified candidate. Therefore, respondents may have also violated 2 U.S.C. § 441d(a)(3) by their failure to include disclaimers on advertisements run in newspapers or other publications directed to the general public.

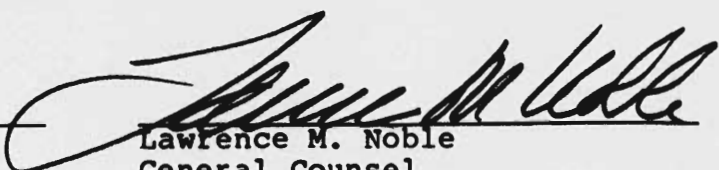
Accordingly, this Office recommends that the Commission find reason to believe that Elect 88 and Paul S. Sanford, as treasurer, violated 2 U.S.C. § 441d(a)(3).

III. RECOMMENDATIONS

1. Find reason to believe Draft Mike and its treasurer violated 2 U.S.C. §§ 441d(a)(3), 433(a) and 434.
2. Find reason to believe Elect 88 and Paul S. Sanford, as treasurer, violated 2 U.S.C. §§ 441d(a)(3), 433(a) and 441a(f).
3. Approve and send attached letters, and interrogatories and requests for documents to respondents.
4. Approve and send the attached letter to complainant.

Date

11/2/87


Lawrence M. Noble
General Counsel

Attachments

1. Response
2. Statement of Organization and Amendment
3. Statement of Candidacy
4. Year End Report
5. Mid Year Report
6. Termination Report
7. Complainant's Request to Withdraw Complaint
8. Proposed letters
9. Interrogatories and request for documents

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FEDERAL ELECTION COMMISSION
WASHINGTON DC 20461

MEMORANDUM TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN *JM*

DATE: NOVEMBER 5, 1987

SUBJECT: OBJECTION TO MUR 2457 - General Counsel's Report
Signed November 2, 1987

The above-captioned document was circulated to the
Commission on Tuesday, November 3, 1987 at 11:00 A.M.

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

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

This matter will be placed on the Executive Session
agenda for November 10, 1987.

Please notify us who will represent your Division
before the Commission on this matter.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Draft Mike and its)
treasurer) MUR 2457
Elect 88 and Paul S.)
Sanford, as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of November 10, 1987, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2457:

1. Find reason to believe Draft Mike and its treasurer violated 2 U.S.C. §§ 441d(a)(3), 433(a) and 434.
2. Find reason to believe Elect 88 and Paul S. Sanford, as treasurer, violated 2 U.S.C. § 441d(a)(3), 433(a), and 441a(f).
3. Approve and send the letter, interrogatories, and requests for documents to respondents as recommended in the General Counsel's report dated November 2, 1987, subject to amendment of the interrogatories to ask about the address at the State House and about the postal permit numbers.

(continued)

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Federal Election Commission
Certification for MUR 2457
November 10, 1987

Page 2

4. Approve and send the letter to complainant as recommended in the General Counsel's report dated November 2, 1987.

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

Attest:

11-12-87

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

19 November 1987

Kenneth P. Trevett, Esquire
15 High Street
Bar Harbor, Maine 04609

Re: MUR 2457
Elect 88 and Paul S. Sanford,
as treasurer; Draft Mike and
its treasurer

Dear Mr. Trevett:

On June 9, 1987, the Federal Election Commission notified Elect 88 and Paul S. Sanford, as treasurer, and Draft Mike of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). Copies of the complaint were forwarded to respondents at that time.

Upon further review of the allegations contained in the complaint and information supplied by respondents, the Commission, on November 10, 1987, found that there is reason to believe Elect 88 and Paul S. Sanford, as treasurer, violated 2 U.S.C. § 441d(a)(3), 2 U.S.C. § 433(a), and 2 U.S.C. § 441a(f), provisions of the Act. Specifically, it appears that on or about May 25, 1987, the respondents mailed solicitations seeking contributions to and membership in Elect 88 and that advertisements were run in newspapers advocating the election of Michael Dukakis for President. The solicitation did not state who paid for it, and the advertisement did not state who paid for it or whether it was authorized by any candidate.

It also appears that by December 26, 1986, Elect 88 had received contributions in excess of \$1,000, but did not file a Statement of Organization within 10 days, i.e., no later than January 5, 1987. Finally, it appears that Elect 88 has accepted contributions in excess of the \$1,000 contribution limitation in that it operated as an unauthorized single candidate committee as defined by 11 C.F.R. § 100.5(e)(2) and, thus, individuals making contributions to it were subject to the \$1,000 per election contribution limitation of 2 U.S.C. § 441a(a)(1)(A). See 11 C.F.R. § 110.1(h) and In Re: AOR 1976-20 (copy enclosed).

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Letter to Kenneth P. Trevett, Esquire
Page 2

Additionally, on November 10, 1987, the Commission found that there is reason to believe Draft Mike and its treasurer, violated 2 U.S.C. § 441d(a)(3), 2 U.S.C. § 433(a), and 2 U.S.C. § 434 provisions of the Act. Specifically, it appears that on or about January 25, 1987, the respondents mailed a solicitation seeking contributions to and membership in Draft Mike and that an advertisement was run in newspapers seeking contributions to Draft Mike. The solicitation and advertisement did not state who paid for it and whether it was authorized by any candidate. It further appears that Draft Mike became a political committee by receiving contributions or making expenditures in excess of \$1,000 in a calendar year but failed to register with the Commission as a political committee and to report its receipts and disbursements.

Under the Act your clients have an opportunity to demonstrate that no action should be taken against them. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office along with answers to the enclosed questions and request for documents within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against your clients, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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Letter to Kenneth P. Trevett, Esquire
Page 3

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 have any questions, please contact Michael Marinelli,
the staff member assigned to this matter, at (202) 376-5690.

Sincerely,



Scott E. Thomas
Chairman

Enclosure
Questions
Re: AOR 1976-20

88040713878



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

19 November 1987

Daniel A. Taylor
Hill & Barlow
One International Place
Boston, MA 02110

RE: MUR 2457

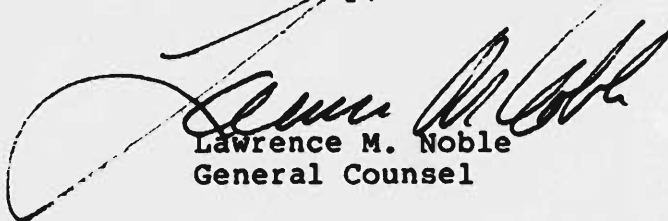
Dear Mr. Taylor:

This is in reference to your letter dated September 4, 1987, requesting that the complaint you filed against Elect 88 and Paul Sanford, as treasurer, and Draft Mike and its treasurer be withdrawn.

Under 2 U.S.C. § 437g, the Federal Election Commission is empowered to review a complaint properly filed with it and to take action which it deems appropriate under the Federal Election Campaign Act of 1971, as amended (the "Act"). A request for withdrawal of a complaint will not prevent the Commission from taking appropriate action under the Act. Your request will become part of the public record within 30 days after the entire file is closed.

If you have any further questions about this procedure, please contact Michael Marinelli, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,



Lawrence M. Noble
General Counsel

88040713879

Kenneth P. Trevett
Attorney-at-Law
15 High Street
Bar Harbor, Maine 04609
(207) 288-3371 (days)
(207) 288-5626 (evenings)

HAND DELIVERED
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
87 DEC -8 AM 11:43
ECC-4914

December 4, 1987

Office of the General Counsel
Federal Election Commission
Washington, DC 20463

Re: MUR 2457

To Whom It May Concern:

Enclosed please find Answers to Interrogatories propounded by your office and received by me on November 23, 1987. In addition, there are copies of advertisements and solicitations relevant to your inquiry.

Respondent Paul Sanford, the Chairman and Treasurer of Draft Mike, and of the Committee into which it quickly evolved, Elect 88, respectfully requests that no action be taken against either Committee or against him personally under the provisions of 11 CFR sec. 111.6(a) for reasons herein detailed. In addition to, or in place of such relief, Mr. Sanford requests pre-probable cause conciliation negotiations under the provisions of 11 CFR sec. 111.18(d).

Mr. Sanford organized Draft Mike on December 13, 1986 for the purpose of encouraging Massachusetts Governor Michael S. Dukakis to become a candidate for President and to create public support for a Dukakis presidential campaign. At no time was this Committee assisted, supported or encouraged in its efforts by Governor Dukakis or his political associates. It was an unauthorized, unaffiliated "draft" committee. One solicitation seeking support for this effort was mailed in December, 1986.

In January, 1987, Mr. Sanford recognized that were Governor Dukakis to enter the race for the Presidency, as then seemed a likely possibility, these "draft" efforts would become irrelevant immediately. Wishing to play an independent and continuing role in the presidential election, Mr. Sanford and his colleagues decided to merge the operations of Draft Mike into Elect 88. An organizing statement was filed at the end of January, 1987 for Elect 88, admittedly several days later than it should have been under the provisions of 2 U.S.C. sec. 433. Unfortunately, no reference to Draft Mike was made in the organizing statement which would have clarified the evolutionary nature of Elect 88 and the purpose and identity of Draft Mike.

Elect 88 continued to be a "draft" committee, but in the event of a formal Dukakis candidacy, the committee would also be an unauthorized political entity which could independently seek support for the Governor. A January solicitation was sent to a mailing list of potential Dukakis supporters, and this mailing -- with its references both to Draft Mike and

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Elect 88 -- evidences the interchangeable nature and merged identity of the two organizations. Given this merger, and the short span of time in which it occurred, Mr. Sanford reasonably -- though as it turns out mistakenly -- filed only one organizing statement and one 1986 year-end report of receipts and disbursements.

A technical violation of FEC law and regulations occurred in January, 1987 when the solicitation letter for Draft Mike-Elect 88 referenced supra was sent out without indicating who paid for the mailing and that it was not authorized by any candidate or candidate committee. Mr. Sanford logically and in good faith believed at the time that as the mailing referenced Draft Mike-Elect 88 and as the Governor was not publically or legally a candidate and did not have an authorized candidate committee, no such disclaimer was necessary.

Mr. Sanford believed then and still believes, under the authority of Federal Election Commission v. Machinists Non-Partisan Political League, 655 F.2d 380(1981), cert. denied 454 U.S. 897(1981) and related cases that contributions in excess of \$1,000 made on January 16 and 31, 1987, February 6, 1987, and March 3 and March 18, 1987, were not in violation of the maximum contribution provisions of 2 U.S.C. 441a and 11 CFR sec. 110.1(b)(1) as the activities of Draft Mike-Elect 88 at that time were in the nature of a "draft." Governor Dukakis had not become an announced candidate by these dates nor had he even become a candidate for purposes of 2 U.S.C. sec. 431(2)(A) and (B). The remaining \$1,000 plus contribution occurred on June 8, 1987, several months after Mr. Sanford amended his statement of organization to indicate that Elect 88 should be construed as a multicandidate committee.

The decision to have Elect 88 further evolve into a multicandidate committee occurred in early 1987 and was manifested by an amended Statement of Organization filed with the Commission. The philosophy behind the change was to expand the goal of the Committee from that of supporting one candidate having interests in economic development to that of making economic development a primary focus of the 1988 elections.

A practical consideration also entered into the reasoning behind this change. Written communications in this time period from the Dukakis political organization indicated an antagonism toward the efforts of Mr. Sanford and his colleagues. While he maintained his respect for the Governor and hoped a presidential candidacy would be forthcoming, Mr. Sanford desired to play a continuing and positive role in the 1988 political scene. The long range strategy for accomplishing this organizational goal was to support federal candidates who shared a desire to reduce unemployment and promote economic development. It was believed that such a strategy would continue to be helpful to Governor Dukakis, reduce the increasing tension between the Dukakis political operations and Elect 88 and help to secure a continuing political role for those participants in Elect 88 who sought such activity.

The one contribution of more than \$1,000 made subsequent to Governor Dukakis's formal entry into the presidential race occurred on June 8, 1987. This contribution was accepted in the good faith belief that Elect 88 was a legitimate multicandidate committee. Mr. Sanford and Elect 88 vigorously deny that he or it knowingly violated the provisions of 2 U.S.C. sec. 441a

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regarding contribution limits. If any violation was made, it was due to a mistaken understanding of the law or how the law should be applied to the factual circumstances of the existence of Elect 88.

Regarding the mail solicitation sent out on or about May 25, 1987, Mr. Sanford has acknowledged in a letter to the Commission dated June 15, 1987, that the provisions of 2 U.S.C. sec. 441 d (a)(3) were not fully adhered to. The solicitation did state that Elect 88 "is not formally authorized by any candidate or candidate committee," but did not indicate that the particular communication was not authorized by any candidate or candidate committee or that the solicitation was paid for by Elect 88. When formally notified of the problems, Mr. Sanford and Elect 88 terminated a mailing in progress and assured the Commission that no further omissions of this nature would occur.

Reference to a violation of 2 U.S.C. 433(a) in connection with the May 25 solicitation would seem to be in error. A statement of organization had been filed for Elect 88 in January, 1987 and an amendment thereto was filed later.

Summary

Respondent Paul Sanford, Draft Mike and Elect 88 have forthrightly admitted to certain violations of Commission statutes and regulations. These errors arise from honest, but mistaken beliefs about relevant law and about the factual situations in which this law has been applied. Other alleged violations are vigorously denied, either on the basis of a review of the relevant facts, or a reading of applicable law. At no time was there ever an intention to operate outside of the law or subvert the public policies underlying the Federal Election Commission.

The activities of Elect 88 have now been terminated, and all appropriate reports have been filed with the Commission. Dukakis for President, Inc. has expressed its desire to the Commission that no further action be taken. Furthermore, to the knowledge of the Respondent, no further complaints have been made either about the activities of Draft Mike/Elect 88 or the role the committees have played in enhancing political discussion and participation in 1987. For these reasons, it is respectfully requested that no further action be taken, or in the alternative, that a pre-probable course conciliation agreement be reached to expeditiously resolve this matter. Your consideration of these arguments and requests is most appreciated.

Sincerely,

Kenneth P. Trevett

Kenneth P. Trevett, Esq.

KPT/slc
Enclosure

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 2457

ANSWERS TO INTERROGATORIES

The following are the answers of the respondent to the interrogatories heretofore served upon him by the commission:

Answer to Interrogatory 1:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

Elect 88 is the successor committee of Draft Mike, which operated for approximately 1 1/2 months in December 1986 and January 1987.

Answer to Interrogatory 2:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

- a) Letters were mailed thru the U.S. Postal Service.
- b) Approximately 7850 letters were distributed.
- c) Elect 88 paid reproduction and distribution costs.
- d) Postage costs relating to direct mailings was \$865. Other production costs amounted to \$2,790. Total cost of the mailing was \$3,655.
- e) A total of \$7,065 was received between 6/4/87 and the termination of the committee on Sept 1, 1987. Since the May 25, 1987 letter was the last solicitation made, it appears that \$7,065 was raised due to the letter.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 2457

ANSWERS TO INTERROGATORIES

Answer to Interrogatory 3:

I, Paul Sanford have developed this response based upon the records of the committee and with the asistance of my brother, Brian Sanford.

An advertisement almost identical to the sample attached to the May 25, 1987 ran in newspapers on 4 occasions.

- a) Exhibit A shows Advertisement #1.
Exhibit B shows Advertisement #2.
Exhibit C shows Advertisement #3.
Exhibit D shows Advertisement #4.
- b) Advertisement #1 was run in The Des Moines Register.
Advertisement #2 was run in The Des Moines Register.
Advertisement #3 was run in The Osceola Sentinel Tribune.
Advertisement #4 was run in San Francisco Progress.
- c) Advertisement #1 was run on 1/31/87.
Advertisement #2 was run on 2/4/87.
Advertisement #3 was run on 2/5/87.
Advertisement #4 was run on 9/30/87.
- d) Elect 88 paid for all of the advertisements.
- e) Total costs for Advertisements #1, #2, and #3 was \$8,795.50.
Total costs for Advertisements #4 was \$1,768.50.
Total costs for all four advertisements was \$10,564.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 2457

ANSWERS TO INTERROGATORIES

Answer to Interrogatory 4:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

Elect 88 sent only one other solicitation aside from the May 25, 1987 letter. This solicitation was originally dated January 25, 1987. It should be noted, however, that the May 25th and January 25th letters were mailed on more than one occasion. Periodically, the date that appears in the upper right hand of each solicitation letter was updated. No copies of the January 25th solicitation were sent after the May 25th solicitation went out.

- a) A copy of the January 25, 1987 solicitation is attached as Exhibit D.
- b) The January 25, 1987 solicitation was sent via the U.S. Postal Service.
- c) By analyzing existing Postal receipts, it appears that 8,500 letters were sent.
- d) Elect 88 paid all reproduction and distribution costs.
- e) Best estimate for price of the January 25, 1987 mailing is \$10,350.
- f) Contributions attributable to the January 25, 1987 solicitation totalled \$29915.82.
- g) Contributors of over \$200 are listed in the Elect 88 Mid Year report for 1987. Contributions of \$200 and less are included in Unitemized Receipts figures from that report.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 2457

ANSWERS TO INTERROGATORIES

Answer to Interrogatory 5:

I, Paul Sanford have developed this response based upon the records of the committee and with the asistance of my brother, Brian Sanford.

An advertisement almost identical to the sample attached to the January 25, 1987 ran in newspapers on 4 occasions.

- a) Exhibit A shows Advertisement #1.
Exhibit B shows Advertisement #2.
Exhibit C shows Advertisement #3.
Exhibit D shows Advertisement #4.
- b) Advertisement #1 was run in The Des Moines Register.
Advertisement #2 was run in The Des Moines Register.
Advertisement #3 was run in The Osceola Sentinel Tribune.
Advertisement #4 was run in San Francisco Progress.
- c) Advertisement #1 was run on 1/31/87.
Advertisement #2 was run on 2/4/87.
Advertisement #3 was run on 2/5/87.
Advertisement #4 was run on 9/30/87.
- d) Elect 88 paid for all of the advertisements.
- e) Total costs for Advertisements #1, #2, and #3 was \$8,795.50.
Total costs for Advertisements #4 was \$1,768.50.
Total costs for all four advertisements was \$10,564.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 2457

ANSWERS TO INTERROGATORIES

Answer to Interrogatory 6:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

- a) Draft Mike evolved from being a draft committee into a issue oriented political action committee named Elect 88 during the month of January, 1987.
- b) There were no agreements between Draft Mike and Elect 88.

Answer to Interrogatory 7:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

- a) Draft Mike.
- b) Draft Mike.

Answer to Interrogatory 8:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

There is no current address for Draft Mike, as the committee no longer exists.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 2457

ANSWERS TO INTERROGATORIES

Answer to Interrogatory 9:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

- a) Draft Mike was formed on December 13, 1986.
- b) Draft Mike does not continue to operate.
- c) Draft Mike no longer operates.
- d) Chairman: Paul Sanford
Treasurer: Paul Sanford.

Answer to Interrogatory 10:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

Paul Sanford was treasurer of Draft Mike.

Answer to Interrogatory 11:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 2457

ANSWERS TO INTERROGATORIES

Answer to Interrogatory 12:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

Not applicable.

Answer to Interrogatory 13:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

No.

Answer to Interrogatory 14:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

Not applicable.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 2457

ANSWERS TO INTERROGATORIES

Answer to Interrogatory 15:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

- a) The January 25, 1987 solicitation was sent via the U.S. Postal Service.
- b) By analyzing existing Postal receipts, it appears that 8,500 letters were sent.
- c) Elect 88 paid all reproduction and distribution costs, including postage of the letters.
- d) Best estimate for the cost of the January 25, 1987 mailing is \$10,350.
- e) Draft Mike was winding down its activities and evolving into Elect 88.
- f) Contributions attributable to the January 25, 1987 solicitation totalled \$29915.82.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 2457

ANSWERS TO INTERROGATORIES

Answer to Interrogatory 16:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

An advertisement almost identical to the sample attached to the January 25, 1987 ran in newspapers on 4 occasions.

- 38040713891
- a) Exhibit A shows Advertisement #1.
Exhibit B shows Advertisement #2.
Exhibit C shows Advertisement #3.
Exhibit D shows Advertisement #4.
 - b) Advertisement #1 was run in The Des Moines Register.
Advertisement #2 was run in The Des Moines Register.
Advertisement #3 was run in The Osceola Sentinel Tribune.
Advertisement #4 was run in San Francisco Progress.
 - c) Advertisement #1 was run on 1/31/87.
Advertisement #2 was run on 2/4/87.
Advertisement #3 was run on 2/5/87.
Advertisement #4 was run on 9/30/87.
 - d) Elect 88 paid for all of the advertisements.
 - e) Total costs for Advertisements #1, #2, and #3 was \$8,795.50.
Total costs for Advertisements #4 was \$1,768.50.
Total costs for all four advertisements was \$10,564.
 - f) Only one check was received, for \$2.50, which may be a result of either Advertisement #1, #2, or #3.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 2457

ANSWERS TO INTERROGATORIES

Answer to Interrogatory 17:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

Aside from the January 25, 1987 solicitation two other solicitations were sent on behalf of Governor Michael Dukakis.

- a) A copy of the May 25, 1987 solicitation is attached as Exhibit E. Draft Mike had an initial solicitation letter distributed in December, 1986 attached as Exhibit F.
- b) Both solicitations were sent via the U.S. Postal Service.
- c) Approximately 1,000 copies of the December solicitation were sent. Approximately 7850 letters of the May 25, 1987 solicitation were distributed.
- d) Draft Mike, which evolved into Elect 88, paid the reproduction and distribution costs of the December solicitation.
- e) December, 1986 solicitation costs:
 - Postage: \$220.
 - Other production costs: \$1,010.73
 - Total cost of solicitation: \$1,230.73.

May 25, 1987 solicitation costs:

- Postage: \$865.
- Other production costs: \$2,790.
- Total cost of solicitation: \$3,655.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

MUR 2457

ANSWERS TO INTERROGATORIES

Answer to Interrogatory 17 (cont) :

f) December, 1986 solicitation contributions:

A total of \$4,800 attributable to the solicitation was received between 12/28/86 and 1/30/87.

May 25, 1987 solicitation contributions:

A total of \$7,065 was received between 6/4/87 and the termination of the committee on Sept 1, 1987. Since the May 25, 1987 letter was the last solicitation made, it appears that \$7,065 was raised due to the May 25, 1987 solicitation.

g) All contributions received have been reported to the commission.

Specific contributors of over \$200 as a result of the December solicitation are as follows:

Name	Date	Amount
----	----	-----
C. Edward Rowe	12/28/86	\$1,000
Bernard J. O'Keefe	12/29/86	1,000
Robert Fox	12/28/86	1,000
Burton J. Miller	12/28/86	250

A total of \$1550 of unitemized contributions was received as a result of the December solicitation, and is included in the Unitemized Receipts in the Elect 88 Year End Report for 1986 and Mid Year Report for 1987.

The May 25, 1987 solicitation letter is responsible for all receipts from June 4, 1987 until the termination of Elect 88. This activity has been reported in the Elect 88 Mid Year Report for 1987 and the Elect 88 Termination Report.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 2457

ANSWERS TO INTERROGATORIES

Answer to Interrogatory 18:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

None.

Answer to Interrogatory 19:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

Elect 88 made expenditures to four candidates aside from Governor Michael Dukakis.

- a) Senator Paul Sarbanes.
Senator George Mitchell.
Senator John Kerry.
Senator Daniel Moynihan.

b) Candidate	Date	Amount
-----	----	-----
Senator Paul Sarbanes	8/12/87	\$ 37.50
Senator George Mitchell	8/12/87	37.50
Senator John Kerry	8/12/87	37.50
Senator Daniel Moynihan	8/12/87	37.50

Answer to Interrogatory 20:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

- a) State House in this context is not a state office building, but rather a U.S. Post Office that is physically located within the Massachusetts State House.
- b) This address was used until mid-February, 1987, when a new address was established in order to avoid any confusion about the role and identity of Elect 88. Some residual mail did continue to arrive in the State House P.O. Box until the committee disbanded.

In the Matter of

MUR 2457

ANSWERS TO INTERROGATORIES

Answer to Interrogatory 21:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

- a) This permit was obtained sometime before March, 1987.
- b) Draft Mike.

Answer to Interrogatory 22:

I, Paul Sanford have developed this response based upon the records of the committee and with the assistance of my brother, Brian Sanford.

Postage Permit 4537 was a business reply permit. As such it was never used for mailing solicitations.

Paul Sanford

Paul Sanford
Respondent
19 Manchester Pl.
Natick MA

State of California
County of Santa Cruz

I, Paul Sanford, being first duly sworn, state that I am the respondent in the above titled action, that I made the above titled answers and that they are true to the best of my knowledge and belief.
Subscribed and sworn to before me this 3 day of December, 1987.

Paul Sanford

Respondent



Judi Coffman

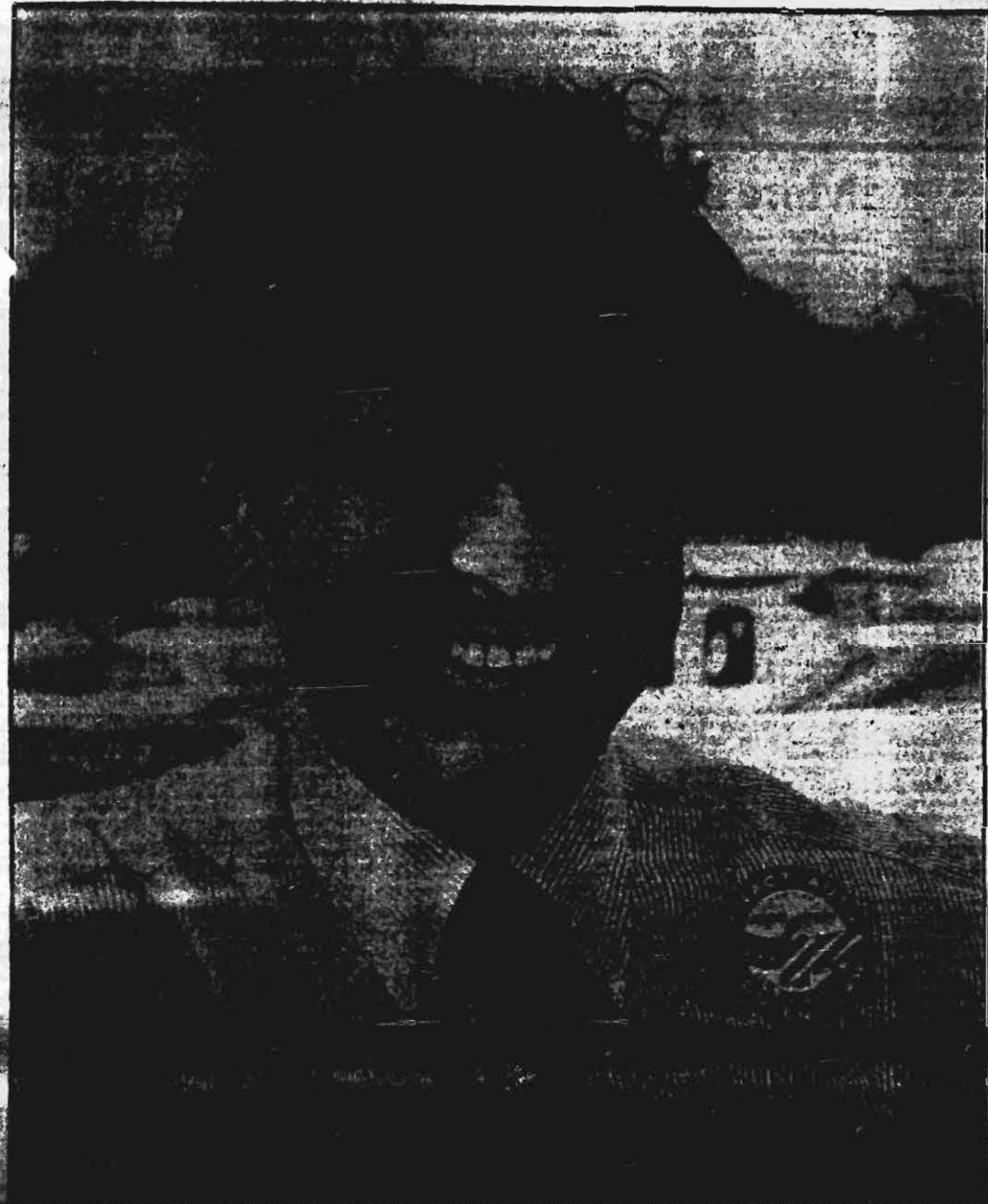
Notary Public

My commission expires: 5-15-90

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88040713996

Sat, January 31, 1967 01 THE DES MOINES REGISTER/35



Meet Mike Dukakis.

"The most effective governor in the country."

Ten years ago, Massachusetts was in trouble.

Taxes were so far above the national average they called us "Taxachusetts."

Unemployment was the second highest in the nation.

Jobs were disappearing at a record rate - 80,000 in 1974 alone.

State government was \$500 million in debt.

Today, they talk about the "Miracle of Massachusetts."

In the last three years, nearly 290,000 new jobs have been created.

Unemployment is the lowest of any industrial state.

The state has a substantial surplus and taxpayers have received the biggest tax cut in state history.

The burden of taxes and fees in Massachusetts is now below the national average.

And lower than 40 other states.

Personal income is climbing faster than anywhere in the country.

Integrity in government is back. So is pride.

When *Time* magazine went looking for the hottest state in the country, they picked Massachusetts.

And when *Newsweek* asked America's governors to name the most effective governor in the country, they picked Mike Dukakis.



PUT MIKE TO WORK FOR YOU!

He can do for a nation what he's done for a state.

DRAFT MIKE

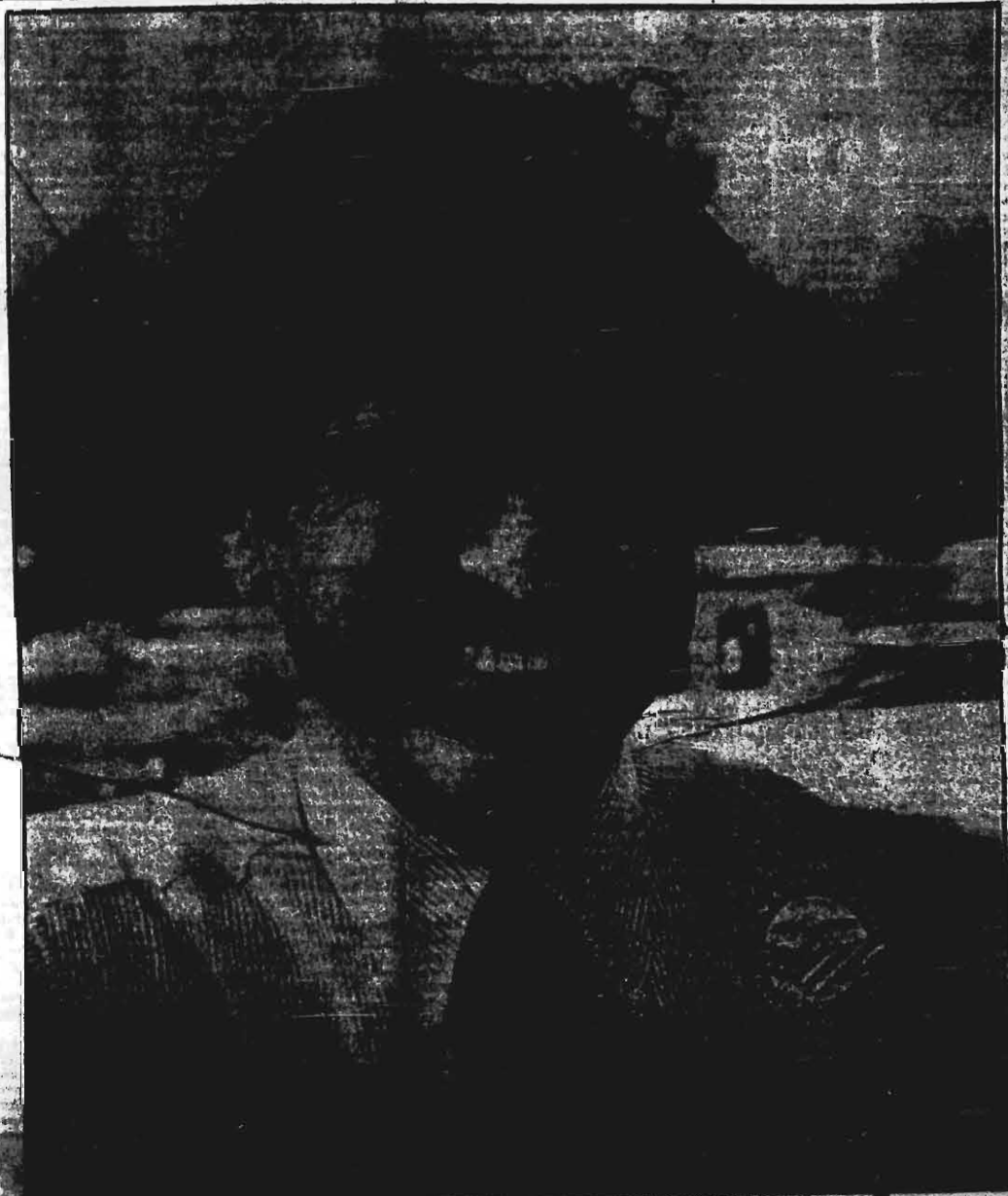
Your donation will be used to introduce
Mike Dukakis and put him to work for all of us.



P.O. Box 93
Des Moines, IA 50301

4 8 0 4 0 7 1 3 8 9 8

851 THE DES MOINES REGISTER ■ Wed., February 4, 1987



8 8 0 4 0 7 1 3 8 9 9

Meet Mike Dukakis.

**"The most effective governor in the country."
Governor Dukakis will be speaking at the National
Governor's meeting at Drake University on February 5.**

Two years ago, Massachusetts was in trouble.
Taxes were so far above the national average
called as "Taxachusetts."

Unemployment was the second highest in the country.
Jobs were disappearing at a record rate - 200,000 in 1981.
State government was \$500 million in debt.

Today, they talk about the "Miracle of Massachusetts."
In the last three years, nearly 250,000 new jobs have been created.
Unemployment is the lowest of any industrial state.

The state has a substantial surplus and taxpayers have received the biggest tax cut
in state history.

The burden of taxes and fees in Massachusetts is now below the national average.
And lower than 40 other states.

Personal income is climbing faster than anywhere in the country.
Integrity in government is back. So is pride.

When *Time* magazine went looking for the
hottest state in the country, they picked
Massachusetts.

And when *Newsweek* asked America's
governors to name the most effective
governor in the country, they picked
Mike Dukakis.

PUT MIKE TO WORK FOR YOU!
He can do for a nation what he's done for a state.

DRAFT MIKE



P.O. Box 93
Des Moines, IA 50301

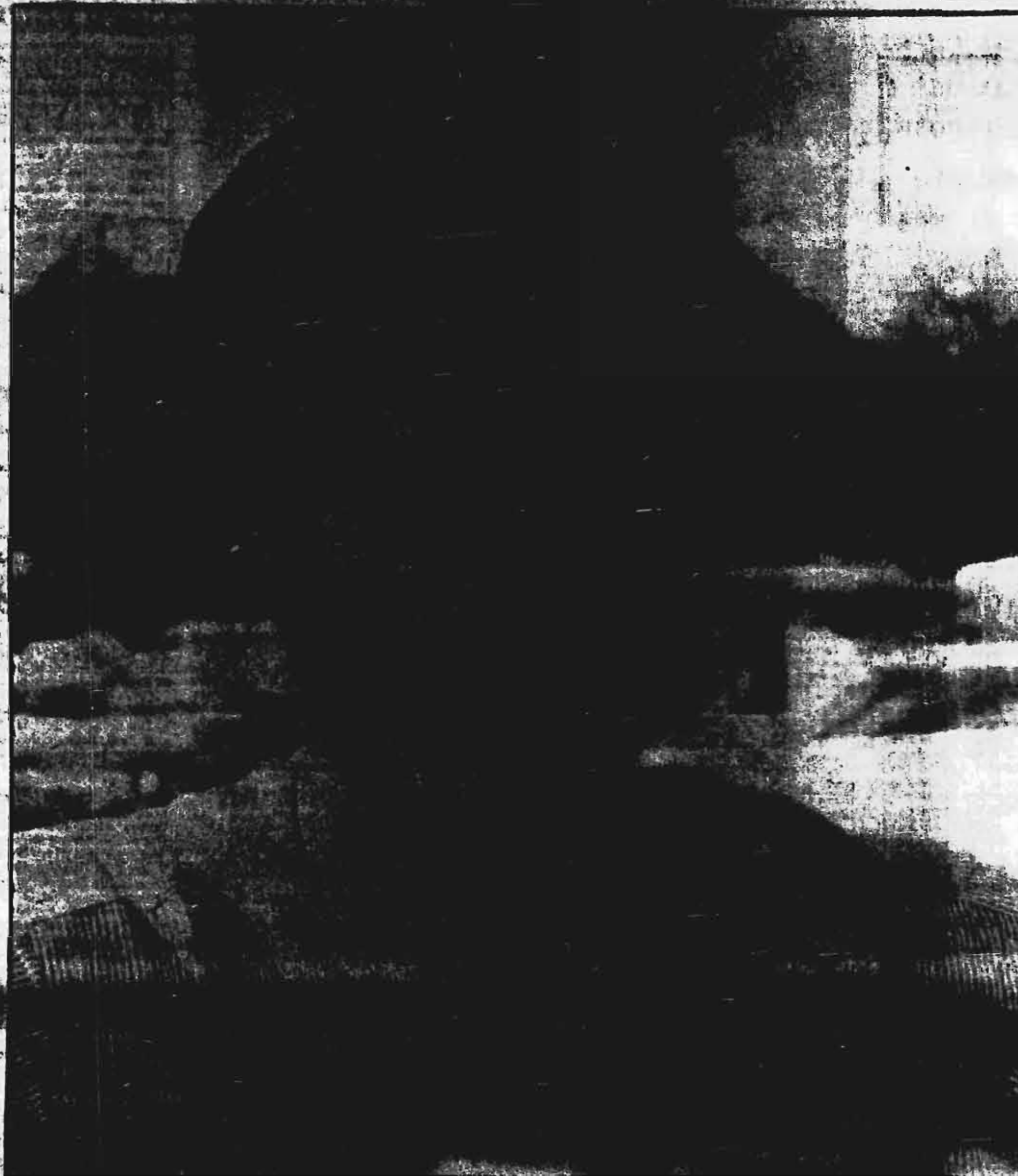
Your donation will be used to promote
Mike Dukakis and put him to work for all of us.

Contributions are tax deductible and available for purchase from the National Political Committee on Education - Washington, D.C.

88040713900

7 SENTINEL TRIBUNE
Thurs., Feb. 6, 1967

EXHIBIT C



8 8 0 4 0 7 1 3 9 0 1

Meet Mike Dukakis

The most effective

Ten years ago, Massachusetts was in trouble. Taxes were too high, the national government called us "Taxachusetts."

Unemployment was the highest in the country. Jobs were disappearing at an alarming rate. State government was \$500 million in debt.

Today, they talk about the "Miracle of Massachusetts." In the last three years, nearly 250,000 new jobs have been created. Unemployment is the lowest of any state in the country.

The state has a substantial surplus. In state history.

The burden of taxes and fees in Massachusetts is less than in more than 40 other states.

Personal income is climbing faster than in any other state. Integrity in government is back. So is pride.

When *Time* magazine went looking for the "hottest state in the country," they picked Massachusetts.

And when *Newsweek* asked America's governors to name the most effective governor in the country, they picked Mike Dukakis.

PUT MIKE TO WORK FOR YOU

He can do for a nation what he's done for a state.

DRAFT MIKE

Your donation will help Mike Dukakis fight for the people.



P.O. Box 25
Des Moines, IA 50301

Charlotte E. Evans and E. Dayton Pearson, major executives of the Progress, have been promoted to Vice Presidents of San Francisco's hometown newspaper.

Evans will continue to head up the news and editorial functions of both the San Francisco Progress and Peninsula Progress, while Pierson will direct retail, national, and classified advertising.

The appointments were announced by President and Publisher William H. Rentschler, who said, "Lynette Evans and Dayton Pierson are important leaders of our Progress team and have contributed significantly to our continuing forward movement. These promotions recognize their key roles. I'm proud to be associated with Dayton and Lynette."

Peterson, who has been director of advertising for the Progress since rejoining the paper in 1985, has held a number of key positions in newspapers throughout California. He was advertising director for the San Francisco Progress from 1974 to 1977, under Harte Hanks Communications, a position he left to become owner/publisher of the *San Jose Times* in **Marina**.

Peterson has been publisher of the Sentinel Newspapers in San Diego, classified advertising director for the Orange Coast Daily Pilot in Costa Mesa, advertising sales director for Meredith Newspapers in Cupertino and general manager of the Concord Transcript in Concord. He was located at Northern State



NAMED VICE PRESIDENT — Lynette E. Evans (left), managing advertising director, have been named vice presidents of the firm by Publisher William H. Rentzler. Evans will continue to handle the firm, and Pearson will direct retail, national, and classified advertising.

Teachers College in Aberdeen,
South Dakota.

Evans has been managing editor of the Progress since 1983, guiding a news staff that includes some of the most respected local news reporters in

San Francisco and the northern Peninsula

A graduate of the University of Washington, Evans also served as news editor for Foster's Daily Democrat in Dover, New Hampshire. Sunday morning editor

Staffers of the San Francisco Progress regret the passing of
Serge Belogoff, who died
the following

born in 1855, Belogoff was 52 when he died.

employed
in other
plants
... large
... the firm

the paper routes Belongoff served and also his Program Manager Larry Scully, who parked a Promen delivery truck just outside the church.

28, were conducted at the Russian Holy Virgin Cathedral of the Church in India, 2210 Gough Blvd. The funeral was attended by more than 100 mourners including many neighbors from

Chrysler Department
Belmont, N.Y. 10013
ing 100-100000

THE UNIVERSITY OF CALIFORNIA
LIBRARY
 100 S. FAY AVENUE
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 TEL. (408) 924-2100
 FAX (408) 924-2100
 WWW: WWW.CALIF.EDU
 WWW: WWW.LIBRARY.CALIF.EDU



Bookends at City Hall
 • 1998 Winter Olympics at the
 • City of the Mayor, Billie A.
 • Boudier, Executive Director
 • and Scott Spence
 • Executive Director
 • City of Boulder

• **Henry Walker**, president of the Board of Superheroes, is the first man, high school senior from Penn State, to be named **Commercial**.

100-443887-100

Neighborhood Crime and
Drug Traffic in the
City

Chas. E. King, Parking Authority Director
Wants to Solve Parking Problems
At the University

• Paul Teller, Miami deputy
manager of transport
ation. Traffic, Transit and
Parking. Residents. Are they

THE UNIVERSITY OF CHICAGO



8 8 0 4 0 7 1 3 9 0 3

Mike Dukakis

**"The most effective
governor in the country."**

Ten years ago, Massachusetts was in trouble.
Taxes were so far above the national average they
called us "Taxachusetts."

Unemployment was the second highest in the nation.

Jobs were disappearing at a record rate - 80,000 in 1974 alone.

State government was \$600 million in debt.

Today, they talk about the "Miracle of Massachusetts."

In the last three years, nearly 200,000 new jobs have been created.

Unemployment is the lowest of any industrial state in history.

The state has a substantial surplus and taxpayers have received the
biggest tax cut in state history.

The burden of taxes and fees in Massachusetts is now below the
national average.

And lower than 40 other states.

Personal income is climbing faster than anywhere in the country.
Integrity in government is back to its pride.

When *Time* magazine was
looking for the hottest state in the
country, they picked Massachusetts.

And when *Newsweek* asked
America's governors to name the
most effective governor in the
country, they picked Mike Dukakis.



ELECT 88

richly layered in 24 karat gold

Reserve Your Keepsake Now

This magnificent memento of the historic
Papal Visit is one you will want to own or to
give as a gift to those you love.

• You cannot buy it in any store; available only
by direct acquisition.

• You receive a Certificate of Authenticity and
an attractive display box, perfect for gift
giving with each 24 karat gold layered on
brass commemorative you order.

• You can make your medal into an exquisite
piece of coin jewelry with a matching 18
chain and mounting (sold separately).

Your satisfaction is guaranteed or your
money will be refunded immediately. Don't
delay - order your Papal Visit remembrance
today while supplies last!

CALL TOLL FREE

on credit card orders
1-800-327-9853
(FL call 305-841-0134)

RUSH ORDER FORM

Papal Visit Medal - Prices Guaranteed 30 Days

Papal Visit Medal
One Commemorative Piece
Ships in 1988, FL 32785

You will receive the Papal Visit medal as indicated below:

- ☐ Cash price - 1 medal for \$5.95
- ☐ Cash price - 2 medals for \$10.95 each (total \$21.90)
- ☐ Cash price - 3 medals for \$15.95 each (total \$47.85)
- ☐ Cash price - 4 medals for \$20.95 each (total \$83.80)
- ☐ Cash price - 5 medals for \$25.95 each (total \$129.75)

Chain and Mounting Only for \$1.95 each

For shipping and handling, please add \$2.00 per medal. (FL call 305-841-0134)

☐ Enclosed is my check or money order for \$

☐ Bill my credit card ☐ VISA ☐ MasterCard

Act: _____ Exp: _____

Signature: _____

Daytime Phone () _____

Name: _____

Address: _____

City: _____

State: _____ Zip: _____



ELECT 88

Paul S. Sanford, Chairman
(617) 742-1055

Mr. Leonard J. Aronson
210 Kent Rd.
Waban, MA 02168

May 25, 1987

Dear Mr. Aronson:

We are writing to request your assistance in a matter of great urgency. As the 1988 Presidential campaign approaches, our nation faces a serious leadership crisis. It is now more important than ever that people across the country hear about the record of Governor Michael S. Dukakis.

The Elect 88 Committee has been formed for the purpose of assisting in the nomination and election of Governor Dukakis as the next President of the United States. We believe that Americans will set competence and integrity as key criteria for 1988. The Governor's record in these areas is so outstanding that when it is presented to a broad spectrum of people across the nation, a natural grassroots movement will develop. We expect this movement can and will propel Governor Dukakis to the White House.

The greatest obstacle this campaign faces is the fact that Mike Dukakis is virtually unknown outside of New England. Unfortunately, the advantage of the Governor's record of action, progress, and success will be diminished if his name recognition level is not boosted substantially.

We believe that a direct, broad-based, positive media campaign targeting certain key states will be helpful in building popular support for our candidate. To this end a series of full-page newspaper advertisements has been prepared. This series will factually and positively introduce "The Most Effective Governor in the Country."

Our first three full-page ads were placed in Iowa newspapers earlier this year. These ads (see attached sample) were favorably received by Iowa voters and they certainly boosted the Governor's name recognition there. Our advertising approach is not only practical, but also economical since paid media is relatively affordable in our targeted states.

88040713904

(2)

Educating the public about the Governor's record is made difficult by a federal law which severely limits the amount of money a candidate can spend. Due to this legal restriction, candidates who suffer from low name recognition (such as Governor Dukakis) are handicapped in their ability to produce and place the many newspaper and television ads which are so essential to becoming well-known nationally. Fortunately, our spending is not limited by this law since Elect 88 is not formally authorized by any candidate or candidate committee.

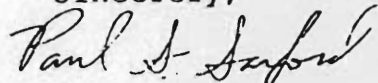
The 1988 Presidential primary season will be brief and decisive. Regardless of merit, a candidate will be "in" or "out" within a period of several weeks. The schedule dictates that Iowa, South Dakota, Wyoming, New Hampshire and other small states will determine the contenders for us. The task at hand, then, is clear. We need to focus our efforts on informing the voters in these states about Governor Dukakis and his outstanding qualifications for the Presidency.

Won't you join us and contribute to this effort? Your donation will be used cost-effectively to produce a national media campaign to educate voters about the Governor's record and character without resorting to negative advertising. With your support, we cannot fail.

Please help us and our country by becoming a charter member of Elect 88 and sending a check today for \$5 to \$5,000. Please make your check payable to ELECT 88.

Thank you in advance for your kind consideration.

Sincerely,



Paul S. Sanford
Chairman

38040713905

EXHIBIT F

December 19, 1986

Mr. John A. Sample
President
DATABASE MARKETING CORPORATION
904 Main Street
Wilmington, MA 01887

Dear Mr. Sample:

I am writing to request your assistance in a matter of great urgency. Our nation today faces a leadership crisis of historic proportion. It is now more important than ever that people across the country hear about the record of Governor Mike Dukakis.

The Governor's record is so outstanding that when we present it to a broad spectrum of people here and across the nation, a natural grass roots movement will develop. It is our sincere expectation that this movement can and will propel Mike Dukakis into the White House.

Won't you join me and contribute to the Draft Mike Committee? Your money will be used cost-effectively for the exclusive purpose of producing and financing a national media drive. This campaign will educate the electorate about the Governor's record without resorting to negative advertising.

Please help us and our country by becoming a charter member of the Draft Mike Committee and sending a check today for \$25, \$100 or \$1000.

Thank you in advance for your kind consideration.

Sincerely,

Paul S. Sanford

PSS/smb
Reply envelope enclosed

88040713906

6CC # 8910

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

March 16, 1988

88 MAR 28 AM 10: 54

Counsel Lawrence Noble

RE MUR 2457

F.E.C.

Washington, D.C. 20463

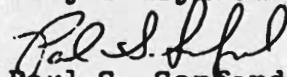
Dear Mr. Noble,

I intend to no longer be represented by counsel, Mr. Kenneth P. Trevett, Esq., in this matter as of today. Attorney Trevett began serving as my counsel on August 8, 1987.

Please be certain to forward all future communications from the Commission directly to me at the below address.

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
88 MAR 28 PM 2:43

Very Truly Yours,


Paul S. Sanford

former Chairman

Elect 88

104 Second Ave.

Santa Cruz, CA

cc. Mr. Kenneth P. Trevett, Esq.

15 High St.

Bar Harbor, ME 04609

2061704088

Kenneth P. Trevett
15 High Street
Bar Harbor, Maine 04609
[207] 288-5626

6CC#8937

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

MAR 30 AM 11:19

March 29, 1988

Mr. Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
Washington, DC 20463

Re: MUR 2457

Dear Mr. Noble:

I am writing to confirm that I am no longer acting as
counsel for Mr. Paul Sanford and ELECT 88 at Mr. Sanford's
request. Communications regarding the Matter Under Review,
report filing, etc. should be directed to Mr. Sanford at 104
Second Avenue, Santa Cruz, CA 95062.

Thank you for your attention to this change.

Sincerely,

Kenneth P. Trevett
Kenneth P. Trevett, Esq.

KPT/slc

c: Joseph Pennington

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
MAR 30 PM 2:07

88040713908

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARY

68 MAR 24 AM 10:03

SENSITIVE

In the Matter of)
)
Draft Mike and Paul S. Sanford,)
as treasurer)
)
Elect 88 and Paul S. Sanford,)
as treasurer)

MUR 2457

ELECTIVE SESSION
APR 05 1988

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On June 2, 1987, the Federal Election Commission received a complaint filed by Mr. Daniel A. Taylor, attorney for Dukakis for President, Inc. The complaint alleged that respondents Draft Mike Committee ("Draft Mike"), Elect 88 Committee ("Elect 88") and Paul S. Sanford, as treasurer of Elect 88, violated provisions of the Federal Election Campaign Act of 1971, as amended (the "Act"). Among the allegations, it was alleged that respondents mailed solicitations to past contributors of the Dukakis gubernatorial campaign but failed to include disclaimers stating that they were not authorized by the candidate.

The Commission determined on November 10, 1987, there was reason to believe that Draft Mike and its treasurer violated 2 U.S.C. §§ 441d(a)(3), 433(a), and 434 and that Elect 88 and Paul S. Sanford, as treasurer, violated 2 U.S.C. §§ 441d(a)(3), 433(a), and 441a(f). On December 9, 1987, the responses to the interrogatories and request for documents were received by this Office. Enclosed with the answers was a request made by counsel for respondents for pre-probable cause conciliation on behalf of Draft Mike, Elect 88 and Paul S. Sanford, as treasurer of both Committees.

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II. ANALYSIS

Respondents' answers to Commission's questions do not deny the essential facts set forth in the complaint. The responses identify Draft Mike as a draft committee formed on December 13, 1986, which evolved into Elect 88 in January, 1987. Paul S. Sanford was the treasurer for both Committees. In the factual discussion of election law violations, a distinction between the two committees will be maintained. Because Elect 88 is the successor committee to Draft Mike and Elect 88's reports record the financial activity for both committees, this Office will otherwise treat the two committees as one. Respondents' answers and documentation are detailed and complete and there does not appear to be any reason not to enter into pre-probable cause conciliation at this time. The claim of draft committee status for Elect 88 will have an impact on certain findings.

A. Violation of Section 44ld

A reason to believe finding was made against both Draft Mike and Elect 88 for violations of Section 44ld. Draft Mike and then Elect 88 solicited funds by direct mail without using the proper disclaimers as required by Section 44ld. However, the amounts which a draft committee receives through solicitations are not contributions under the Act. See FEC v Machinists Non-Partisan Political League, 655 F.2d 380 (D.C. Cir), cert. denied. 454 U.S. 897 (1987). Therefore, the disclaimer provisions of Act which cover the solicitation of contributions (or express advocacy) do not apply to draft committees prior to candidacy.

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There were violations of Section 441d made by Elect 88 after Governor Dukakis became a presidential candidate. Dukakis filed a Statement of Candidacy for the Presidency on March 30, 1987. Elect 88 on May 25 began a direct mail solicitation that lacked the proper disclaimer. The letter for the solicitation reached 7,850 individuals at a total cost of \$3,655 and raised \$7,065. Further, on September 9, 1987, Elect 88 had published in the San Francisco Progress an advertisement which also lacked a Section 441d disclaimer. The advertisement with a cost of \$1,768 supported the Dukakis candidacy and requested contributions for Elect 88. Therefore, consistent with this Office's approach toward Elect 88's Section 441a(f) violations, these Section 441d violations are included in the proposed conciliation agreement.

B. Violations of 433(a) and 434

A reason to believe finding was made that Draft Mike had violated 433(a) and 434 by failing to register and report with the Commission. A further reason to believe finding was made that Elect 88 had violated Section 433(a) by failing to file its Statement of Organization within 10 days of becoming a political committee within the definition of Section 431(4). An organization becomes a political committee under Section 431(4) when it receives contributions aggregating in excess of \$1,000 or makes expenditures in excess of \$1,000 during a calendar year 2 U.S.C. § 431(4).

Although draft committee may be required to register and report, the question whether they must meet the 10-day deadline

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of Section 433(a) has not previously been addressed. Draft committees are not political committees within the meaning of Section 431(4) for all purposes, but are otherwise treated as political committees for reporting purposes. Machinists Non-Partisan Political League, 655 F.2d at 395. Therefore, it follows that a registration requirement including the 10-day provision should also attach to draft committees. It has not, however, been decided whether the \$1,000 threshold of Section 431(4) or some other criterion applies to draft committees for determining when they should register.

In this matter Respondents indicate that Elect 88 was organized on December 13, 1986 and made expenditures of \$1,230.73 for a December 17, 1986 solicitation which supported Dukakis for President. The solicitation resulted in \$4,800 in contributions from December 28, 1986 to January 30, 1987. A Statement of Organization was not filed, however, until February 2, 1987. Because Draft Mike and Elect 88 are one Committee, this Office recommends that the Commission take no further action against Draft Mike for its violation of Section 433(a). The Section 433(a) finding against Elect 88 should remain unchanged. Accordingly, the proposed conciliation agreement includes a violation of Section 433(a).

Respondents state that the first report filed with the Commission, the 1986 Year End Report, records financial activity for both Draft Mike and Elect 88. The period covered by the report extends to the period before Draft Mike's evolution into

88040713912

Elect 88, and contributions are listed that Respondents state were made to Draft Mike.

Since Draft Mike's activity is reported, this Office recommends that the Commission take no further action against Respondents with regard to Section 434.

C. Violation of Section 441a(f)

The Act provides that a person is prohibited from making contributions to any candidate or his authorized political committees, with respect to any election for federal office which in the aggregate exceed \$1,000. 2 U.S.C. § 441a(a)(1)(A). Further, a political committee is prohibited from knowingly accepting any contribution in violation of the provision of Section 441a. 2 U.S.C. § 441a(f).

Contributions made to a single candidate committee, i.e., one which according to 11 C.F.R. § 100.5(e)(2) makes expenditures or receives contributions on behalf of only one candidate, are subject to Section 441a(a)(1)(A) limitations. See 11 C.F.R. § 110.1(h)(1) and H.R. Rep. No. 1057, 94 Cong. 2d Sess. at 58(1976), reprinted in FEC, Legislative History of Federal Election Campaign Act Amendments of 1976 at 1052 (GPO 1977). Unauthorized political committees that are single candidate committees are bound by the above statutory contribution limits. See Response to AOR 1976-20.

The Commission had made a reason to believe finding that Elect 88 had violated Section 441a(f) by accepting contributions

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greater than the limits of Section 441a. Because of its draft committee status, Elect 88 questions the validity of the Section 441a(f) findings since the contribution limits of the Act do not apply to draft committees. However, one Section 441a(f) violation, a June 6, 1987 contribution of \$2,500 by Richard H. Rubin, took place after Governor Dukakis became a presidential candidate. This violation has been included in the proposed conciliation agreement.

III. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

IV. RECOMMENDATIONS

1. Take no further action against Draft Mike and Paul S. Sanford, as treasurer, with respect to 2 U.S.C. §§ 433(a), 434, and 441d.

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2. Enter into conciliation with Elect 88 and Paul S. Sanford, as treasurer, prior to a finding of probable cause to believe.
3. Approve the attached proposed conciliation agreement and letter.

Lawrence M. Noble
General Counsel

Date 3/23/88

By:

Lois G. Lerner
Associate General Counsel

Attachments

1. Responses of Elect 88 and to interrogatories and request for conciliation
2. Proposed conciliation agreement and letter

88040713915



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20541

MEMORANDUM TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN *ah*

DATE: MARCH 30, 1988

SUBJECT: OBJECTIONS TO MUR 2457 - General Counsel's Report
Signed March 23, 1988

The above-captioned document was circulated to the Commission on Thursday, March 24, 1988 at 4:00 P.M.

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

Commissioner Aikens	<u>X</u>
Commissioner Elliott	<u>X</u>
Commissioner Josefiak	<u>X</u>
Commissioner McDonald	<u></u>
Commissioner McGarry	<u></u>
Commissioner Thomas	<u>X</u>

This matter will be placed on the Executive Session agenda for April 5, 1988.

Please notify us who will represent your Division before the Commission on this matter.

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11

MUR 2457

**Elect 88 and Paul S. Sanford,
as treasurer**

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the

1. Take no further action against Draft Mike and Paul S. Sanford, as treasurer, with respect to 2 U.S.C. §§ 433 (a), 434, and 441d.
2. Enter into conciliation with Elect 88 and Paul S. Sanford, as treasurer, prior to a finding of probable cause to believe.

(continued)

3. Approve the proposed conciliation agreement and letter attached to the General Counsel's report dated March 23, 1988, subject to amendment

Commissioners Aikens, Elliott, Josefiak, McGarry, and Thomas voted affirmatively for the decision; Commissioner McDonald was not present at the time this matter was under consideration.

Attest:

4-6-88

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

88040713918



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 12, 1988

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Paul S. Sanford, Treasurer
Elect 88 Committee
c/o Jay Farber
1273 Washington Street
Apt #1
West Newton, Mass 02165

RE: MUR 2457
Elect 88 and Paul S. Sanford,
as treasurer; Draft Mike and
Paul S. Sanford, as treasurer

Dear Mr. Sanford:

On November 10, 1987, the Federal Election Commission found reason to believe that Draft Mike Committee and you, as treasurer, violated 2 U.S.C. §§ 441d(a)(3), 433(a), and 434 and that Elect 88 and you, as treasurer, violated 2 U.S.C. §§ 441d(a)(3), 433(a) and 441a(f). On April 5, 1988, the Commission determined to take no further action against Draft Mike with regard to 2 U.S.C. §§ 433(a), 434, and 441d.

At your request, on April 5, 1988, the Commission determined to enter into negotiation directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact


83040713919

Kenneth P. Trevett
Page 2

Michael Marinelli, the attorney assigned to this matter, at (202)
376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

By: 
Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

88040713920



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 6, 1988

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Paul S. Sanford, Treasurer
Elect 88 Committee
c/o Jay Farber
1273 Washington Street
Apt #1
West Newton, MA 02165

RE: MUR 2457
Elect 88

Dear Mr. Sanford:

On April 12, 1988, you were notified that, at your request, the Federal Election Commission determined to enter into negotiations directed toward reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. On that same date, you were sent a conciliation agreement offered by the Commission in settlement of this matter.

Please note that conciliation negotiations entered into prior to a finding of probable cause to believe are limited to a maximum of 30 days. To date, you have not responded to the proposed agreement. The 30-day period for negotiations will soon expire. Unless we receive a response from you within 5 days, this Office will consider these negotiations terminated and will proceed to the next stage of the enforcement process.

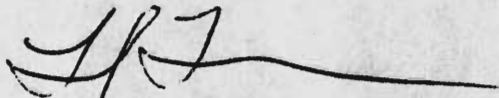
13921
80407

Paul S. Sanford
Page 2

Should you have any questions, please contact Michael Marinelli, the attorney assigned to this matter, at (202) 375-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in dark ink, appearing to be 'L. Lerner', with a long horizontal flourish extending to the right.

By: Lois G. Lerner
Associate General Counsel

R 8 0 4 0 7 1 3 9 2 2

GCC#9264

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

88 MAY 12 PM 9:38

Attorney Michael Marinelli
Federal Election Commission
Washington, DC, 20463

RE: MUR 2457

Dear Attorney Marinelli:

This is a follow-up to our conversation of April 19, in which I indicated that the complaint filed against Elect 88 and me by Daniel Taylor was submitted in direct violation of 18 USC 1001. I am formally notifying the Commission and you that I have reason to believe that Mr. Taylor signed and swore to statements in the complaint which he fully understood to be false.

I am following up on this criminal allegation with the U.S. Attorney in Boston. I expect that this information will become particularly relevant to the ultimate resolution of MUR 2457.

Sincerely,

Paul S. Sanford
Paul S. Sanford

19 Manchester Place
Natick, MA, 01760
tel. (617) 655-2856

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
88 MAY 12 AM 11:40

R 8 0 4 0 7 1 3 9 2 3



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: *MWS* MARJORIE W. EMMONS
COMMISSION SECRETARY

DATE: AUGUST 11, 1988

SUBJECT: MUR 2457 - General Counsel's Report
Signed August 8, 1988

Attached is a copy of Commissioner Thomas'
vote sheet with comments regarding the above-captioned matter.

Attachment:
Copy of Vote Sheet

88040713924

BALLOT



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

DATE & TIME TRANSMITTED: TUESDAY, AUGUST 9, 1988 4:00

COMMISSIONER: AIKENS, ELLIOTT, JOSEPH, McDONALD, McGARRY, THOMAS

RETURN TO COMMISSION SECRETARY BY THURSDAY, AUGUST 11, 1988 4:00

SUBJECT: MUR 2457 - General Counsel's Report
Signed August 8, 1988

88 AUG 11 PM 2:54

FEDERAL ELECTION COMMISSION

- (✓) I approve the recommendation
() I object to the recommendation

COMMENTS: The letter is faulty. The appropriate date should be substituted
for "July 16, 1988."

DATE: 8/11/88

SIGNATURE

John Thomas

A DEFINITE VOTE IS REQUIRED. ALL BALLOTS MUST BE SIGNED AND DATED.

PLEASE RETURN ONLY THE BALLOT TO THE COMMISSION SECRETARY.

PLEASE RETURN BALLOT NO LATER THAN DATE AND TIME SHOWN ABOVE.

88040713925

88 AUG -9 AM 10:15

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Elect 88 and) MUR 2457
Paul S. Sanford, as treasurer)

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by Paul S. Sanford, the treasurer of Elect 88. The attached agreement contains no changes from the agreement approved by the Commission on July 18, 1988. A check in payment of the civil penalty has not been received.

II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with Elect 88 and Paul S. Sanford, as treasurer.
2. Close the file.
3. Approve the attached letter.

Lawrence M. Noble.
General Counsel

8/8/88
Date

BY: Lois G. Lerner
Associate General Counsel

Attachments

1. Conciliation Agreement
2. Letter to Respondent

Staff assigned: Michael Marinelli

88040713926

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Elect 88 and
Paul S. Sanford, as treasurer

MUR 2457

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 11, 1988, the Commission decided by a vote of 6-0 to take the following actions in MUR 2457:

1. Accept the conciliation agreement with Elect 88 and Paul S. Sanford, as treasurer, as recommended in the General Counsel's report signed August 8, 1988.
2. Close the file.
3. Approve the letter, as recommended in the General Counsel's report signed August 8, 1988.

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

Attest:

8/12/88

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Mon., 8-8-88, 10:15
Circulated on 48 hour tally basis: Tues., 8-9-88, 4:00
Deadline for vote: Thurs., 8-11-88, 4:00

88040713927



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 22, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Daniel A. Taylor
Hill & Barlow
One International Place
Boston, MA 02110

RE: MUR 2457

Dear Mr. Taylor:

This is in reference to the complaint you filed with the Federal Election Commission on June 2, 1987, concerning Draft Mike and Elect 88 and Paul Sanford, the treasurer of both committees.

The Commission found that there was reason to believe Elect 88 and Paul Sanford, as treasurer, violated 2 U.S.C. §§ 441d(a)(3), 433(a), and 441a(f), provisions of the Federal Election Campaign Act of 1971, as amended, and conducted an investigation in this matter. On August 11, 1988, a conciliation agreement signed by the respondents was accepted by the Commission. Accordingly, the Commission closed the file in this matter on August 11, 1988. A copy of this agreement is enclosed for your information.

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

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

88040713928



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 22, 1988

Paul S. Sanford, treasurer
Elect 88
19 Manchester Place
Natick, MA, 01760

RE: MUR 2457
Elect 88 and
Paul S. Sanford, as
treasurer

Dear Mr. Sanford:

On August 11, 1988, the Federal Election Commission accepted the signed conciliation agreement submitted on your behalf in settlement of a violation of 2 U.S.C. §§ 441d(a)(3), 433(a) and 441a(f), provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter. This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any

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Paul S. Sanford
Page 2

questions, please contact Michael Marinelli, the attorney
assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel



BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2457
Draft Mike and Paul S. Sanford, as)
treasurer)
Elect 88 and Paul S. Sanford, as)
treasurer)

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Mr. Daniel A. Taylor, attorney for Dukakis for President, Inc. The Federal Election Commission ("Commission") found reason to believe that Elect 88 and Paul S. Sanford, as treasurer, ("Respondents") violated 2 U.S.C. §§ 441d(a)(3), 433(a), and 441a(f).

NOW, THEREFORE, the Commission and the respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Draft Mike was a draft committee which evolved into Elect 88.

2. Respondent, Elect 88, is a political committee

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within the meaning of 2 U.S.C. § 431(4) and the successor to Draft Mike.

3. Respondent, Paul S. Sanford, is the treasurer of Elect 88 and was the treasurer of Draft Mike.

4. Pursuant to 2 U.S.C. § 433(a) all committees are required to file a Statement of Organization within 10 days after becoming a political committee within the meaning of 2 U.S.C. § 431(4).

5. Pursuant to 2 U.S.C. § 434, all committees must file periodic reports disclosing receipts and disbursements.

6. Draft committees are treated as political committees within the meaning of 2 U.S.C. § 431 for registration and reporting purposes. See H.R. No. 422, 96th Cong., 1st Sess. 15 (1979) reprinted in FEC, Legislative History of Federal Election Campaign Act Amendments of 1979 at 199 (GPO 1983); FEC v. Machinists Non-Partisan Political League, 655 F.2d 380, 395 (D.C. Cir.), cert denied, 454 U.S. 897 (1981).

7. Pursuant to 2 U.S.C. § 441d(a)(3), where newspaper advertisements and direct mailings are made that expressly advocate the election or defeat of a clearly identified candidate or solicit contributions and those newspaper advertisements and direct mailings are neither paid for nor authorized by the candidate or principal committee on whose behalf each is made, each must contain a disclaimer disclosing the name of the person who paid for the communication and a statement that the communication was not authorized by the candidate.

8. Pursuant to 2 U.S.C. § 441a(f), no candidate or

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political committee shall knowingly accept any contribution in violation of the provisions of Section 441a. Pursuant to 11 C.F.R. § 110.1(h)(1), contributions made to a single candidate committee are subject to Section 441a(a)(1)(A) limitations and may not exceed in the aggregate \$1,000 with respect to a federal election. See H.R. Rep. No. 1057, 94th Cong. 2d Sess. at 58 (1976), reprinted in FEC, Legislative History of Federal Election Campaign Act Amendments of 1976 at 1052 (GPO 1977).

9. Draft Mike was organized on December 13, 1986 and made expenditures of \$1,230.73 for a December 19, 1986 solicitation which supported Michael Dukakis for President. The solicitation resulted in \$4,800 in contributions from December 28, 1986 to January 30, 1987. Respondents did not file a Statement of Organization until February 2, 1987.

10. Respondents, through a direct mailing on May 21, 1987, solicited contributions and, in addition, paid for a September 1987 newspaper advertisement expressly advocating the election of Governor Dukakis for President. Both the solicitation and the advertisement were neither authorized nor paid for by Governor Dukakis, his authorized political committee or its agents and neither contained a proper disclaimer.

11. Respondents, accepted a \$2,500 contribution on June 8, 1987, from Richard H. Rubin, the excessive portion of which has not been refunded.

12. Governor Michael Dukakis filed a Statement of Candidacy for the the Presidency on March 30, 1987.

V. 1. Respondents failed to register within ten days of

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becoming a political committee, in violation of 2 U.S.C. § 433(a).

2. Respondents failed to include in the May 25, 1987 solicitation and the September 9, 1987 newspaper advertisement a disclaimer which disclosed both the name of the person who paid for the communication and that it was not authorized by the candidate, in violation of 2 U.S.C § 441d(a)(3).

3. Respondents knowingly accepted a \$2,500 contribution which was \$1,500 in excess of the \$1,000 per election contribution limit of 2 U.S.C. § 441a(f).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of One Thousand Dollars (\$1,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

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X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY:

Lois G. Lerner
Lois G. Lerner
Associate General Counsel

8/19/88
Date

FOR THE RESPONDENTS:

Paul D. Lafol
(Name)
(Position) (former) Chairman
Elect 88

7/25/88
Date

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2457

DATE FILMED 9/9/88 CAMERA NO. 2

CAMERAMAN K.A.U.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THE FOLLOWING MATERIAL IS BEING ADDED TO THE FILE IN

MUR 2457

89040725237

060#P55

10/22/88

re MUR 2457

Dear Mr. Marinelli -

I apologize for the delay
responding to the FEE.

I am enclosing a small payment
toward the \$1,000. I have
not paid it in full because I
am not currently working for pay.
I am making active efforts to secure
a personal loan for \$1,000 and
pay the balance as fast as humanly
possible.

I am very sorry about being slow.

If I don't get the loan immediately,
is there any way I can do this
on some kind of payment plan?

Please delay any institution of civil
action. I hope we can discuss this
through correspondence or by phone.
Thank you for your help.

Sincerely,

Paul S. Sanford 11 Manchester Pl.
North MA 01760

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

88 OCT 31 AM 9:10

tel. (508)
655-2856

89040725238

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

Paul S. Sanford OGC#1130
MUR 2457

88 NOV 21 AM 9:54
11/15/88

Mr. Michael Marinelli
FEC

Dear Mr. Marinelli -

I am writing to acknowledge my
firm's balance of \$ 950 and would like
to propose a payment schedule of
\$ 50/monthly or \$ 150 quarterly until
the balance is paid.

Would this be acceptable to your office?

Thank you for your kindness

Yours respectfully,

Paul Sanford

Paul Sanford

19 Manchester Pl

Notch MA 01760
(508) 655-2856

89040725239

88 NOV 21 PM 12:38

RECEIVED
FEDERAL ELECTION COMMISSION

CLOSE

BayBank

4253249

BayBank Middlesex
Massachusetts

Personal Money Order ⁵³⁻²³⁵
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PAY

FEC

MAYNARD OFFICE
NOT VALID OVER \$1,000.00

10/22

JS

\$ 50-

To the
order
of

FEC

[Signature]

Signature
19 Manchester Pl North 01762
Address

⑈4253249⑈ ⑆011302357⑆ 000 041 8⑈

OGC#855

MEMORANDUM

TO: DEBRA A. TRIMIEW

TO: CECILIA LIEBER

FROM: CECILIA LIEBER

FROM: DEBRA A. TRIMIEW

CHECK NO. 4253249 [A COPY OF WHICH IS ATTACHED] RELATING TO

MJR 2457 AND NAME Draft Mike and Paul S. Sanford, as treasurer
(Marinelli) Elect '88 and Paul S. Sanford, as treasurer
WAS RECEIVED ON 11/2/88. PLEASE INDICATE THE ACCOUNT INTO

WHICH IT SHOULD BE DEPOSITED:

/ / BUDGET CLEARING ACCOUNT { 95F3675.16 }
/ ✓ / CIVIL PENALTIES ACCOUNT { 95-1099.160 }
/ / OTHER _____

SIGNATURE Debra A. Trimiew DATE 11/3/88

88 NOV -2 PM 3:43

RECEIVED
COMMUNICATIONS SECTION

40725240



FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

THE FOLLOWING MATERIAL IS BEING ADDED TO THE FILE IN

MUR 2457

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83 JAN 17 AM 11:45

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Elect 88 and) MUR 2457
Paul S. Sanford, as treasurer)

SENSITIVE
EXECUTIVE SESSION
JAN 24 1989

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On August 11, 1988, the Commission accepted a conciliation agreement signed by the candidate in settlement of violations of 2 U.S.C. §§ 441d(a)(3), 433(a), and 441a(f). The agreement required that the Respondents pay a civil penalty of \$1,000 within 30 days from the effective date of the agreement, the date the signed agreement was approved by the Commission.

On October 14, 1988, the Committee treasurer received a certified letter from this Office requesting payment and providing Respondents an additional 15 days to make payment. On November 2, 1988, this Office received a check for \$50.00 as part payment for the civil penalty. Several unsuccessful attempts were made to contact Respondents by phone. Finally, this Office received a letter on November 21, 1988, proposing to pay the \$1,000 civil penalty in either monthly installments of \$50 or quarterly installments of \$150. This proposal would delay the full payment of the civil penalty to mid-1990 and, therefore, is not acceptable. This Office notes that the Commission had initially approved a civil penalty of \$2,500. However, in the interest of attempting to resolve this matter without further delay, the Commission had accepted a \$1,000 counteroffer. Other than unsubstantiated statements, the Respondents have failed to

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present any evidence of hardship or changed circumstances to justify changing the time for payment of the civil penalty.

The difficulties this Office has had in securing payment of the civil penalty mirror the problems encountered with the Respondents in negotiating the conciliation agreement. Although Mr. Sanford and the Committee were previously represented by counsel, counsel withdrew or was dismissed in March, 1988. Since the filing of the complaint on June 2, 1987, Mr. Sanford has resided at five different addresses: Boston, Massachusetts; Bar Harbor, Maine; Santa Cruz, California; West Newton, Massachusetts; and Natick, Massachusetts. Contacting Mr. Sanford, especially by telephone, has repeatedly proven difficult.

Because this Office has not received the full payment for civil penalty and Respondents have not offered an acceptable arrangement for paying this penalty, it appears that the Respondents have not complied with Section VI of the conciliation agreement. Therefore, the Office of the General Counsel recommends that the Commission authorize suit in this matter unless the Respondents submits the full amount of the civil penalty within 10 days of receipt of the attached letter. If Mr. Sanford can demonstrate hardship, the opportunity will still

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exist for him to work out an acceptable payment plan.

II. RECOMMENDATIONS

1. Authorize the Office of the General Counsel to file a civil suit for relief in United States District Court against Elect 88 and Paul S. Sanford, as treasurer in the event that they do not submit the full civil penalty within 10 days of receipt of the notice of nonpayment.
2. Approve the attached letter.

Date

1/13/89


Lawrence M. Noble
General Counsel

Attachments

1. Proposed letter
2. Conciliation Agreement
3. Letter received by Respondents on October 14, 1988
4. Return receipt from October 14, 1988 letter.
5. November 2, 1988 Response from Paul S. Sanford.
6. November 21, 1988 Response from Paul S. Sanford.

Staff Assigned: Michael Marinelli

33040735214

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Elect 88 and) MUR 2457
Paul S. Sanford, as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of January 24, 1989, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2457:

1. Authorize the Office of the General Counsel to file a civil suit for relief in United States District Court against Elect 88 and Paul S. Sanford, as treasurer, in the event that they do not submit the full civil penalty within ten (10) days of receipt of the notice of nonpayment.
2. Approve the letter attached to the General Counsel's report dated January 13, 1989.

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

Attest:

January 24, 1989
Date

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



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

January 27, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul S. Sanford, Treasurer
Elect 88
19 Manchester Place
Natick, MA 01760

RE: MUR 2457
Elect 88 and
Paul S. Sanford, as
treasurer

Dear Mr. Sanford:

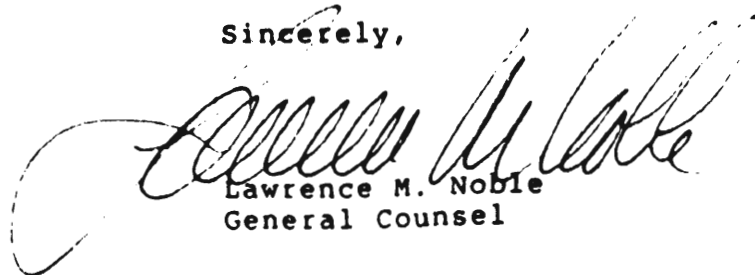
You were previously notified that on August 11, 1988, the Federal Election Commission accepted the signed conciliation agreement you signed, in settlement of the above-referenced matter.

Because the civil penalty has not been paid in full, the Committee has not complied with Section VI of the agreement which you signed (see enclosure). The Commission notes that the proposed arrangement to make quarterly installments of \$150 or monthly installments of \$50 is inadequate because it would extend the payment of a \$1,000 civil penalty over a period of more than one and a half years. Furthermore, other than unsubstantiated statements, you have failed to produce any evidence of hardship or changed conditions to justify a revision in the time for payment of the civil penalty. Therefore, the Commission has authorized the General Counsel to institute a civil action for relief in the United States District Court unless payment is made within 10 days of receipt of this letter.

Paul S. Sanford, Treasurer
Page 2

Should you have any questions, please contact
Michael Marinelli, the attorney assigned to this matter, at
(202) 376-8200.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lawrence M. Noble", is written over the typed name and title. The signature is fluid and cursive, with a large initial "L" and "M".

Lawrence M. Noble
General Counsel

Enclosure

83749735217

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2457
Draft Mike and Paul S. Sanford, as)
treasurer)
Elect 88 and Paul S. Sanford, as)
treasurer)

CONCILIATION AGREEMENT

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This matter was initiated by a signed, sworn, and notarized complaint by Mr. Daniel A. Taylor, attorney for Dukakis for President, Inc. The Federal Election Commission ("Commission") found reason to believe that Elect 88 and Paul S. Sanford, as treasurer, ("Respondents") violated 2 U.S.C. §§ 441d(a)(3), 433(a), and 441a(f).

NOW, THEREFORE, the Commission and the respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Draft Mike was a draft committee which evolved into Elect 88.

2. Respondent, Elect 88, is a political committee

within the meaning of 2 U.S.C. § 431(4) and the successor to Draft Mike.

3. Respondent, Paul S. Sanford, is the treasurer of Elect 88 and was the treasurer of Draft Mike.

4. Pursuant to 2 U.S.C. § 433(a) all committees are required to file a Statement of Organization within 10 days after becoming a political committee within the meaning of 2 U.S.C. § 431(4).

5. Pursuant to 2 U.S.C. § 434, all committees must file periodic reports disclosing receipts and disbursements.

6. Draft committees are treated as political committees within the meaning of 2 U.S.C. § 431 for registration and reporting purposes. See H.R. No. 422, 96th Cong., 1st Sess. 15 (1979) reprinted in FEC, Legislative History of Federal Election Campaign Act Amendments of 1979 at 199 (GPO 1983); FEC v. Machinists Non-Partisan Political League, 655 F.2d 380, 395 (D.C. Cir.), cert denied, 454 U.S. 897 (1981).

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8. Pursuant to 2 U.S.C. § 441a(f), no candidate or

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political committee shall knowingly accept any contribution in violation of the provisions of Section 441a. Pursuant to 11 C.F.R. § 110.1(h)(1), contributions made to a single candidate committee are subject to Section 441a(a)(1)(A) limitations and may not exceed in the aggregate \$1,000 with respect to a federal election. See H.R. Rep. No. 1057, 94th Cong. 2d Sess. at 58 (1976), reprinted in FEC, Legislative History of Federal Election Campaign Act Amendments of 1976 at 1052 (GPO 1977).

9. Draft Mike was organized on December 13, 1986 and made expenditures of \$1,230.73 for a December 19, 1986 solicitation which supported Michael Dukakis for President. The solicitation resulted in \$4,800 in contributions from December 28, 1986 to January 30, 1987. Respondents did not file a Statement of Organization until February 2, 1987.

10. Respondents, through a direct mailing on May 21, 1987, solicited contributions and, in addition, paid for a September 1987 newspaper advertisement expressly advocating the election of Governor Dukakis for President. Both the solicitation and the advertisement were neither authorized nor paid for by Governor Dukakis, his authorized political committee or its agents and neither contained a proper disclaimer.

11. Respondents, accepted a \$2,500 contribution on June 8, 1987, from Richard H. Rubin, the excessive portion of which has not been refunded.

12. Governor Michael Dukakis filed a Statement of Candidacy for the the Presidency on March 30, 1987.

V. 1. Respondents failed to register within ten days of

becoming a political committee, in violation of 2 U.S.C. § 433(a).

2. Respondents failed to include in the May 25, 1987 solicitation and the September 9, 1987 newspaper advertisement a disclaimer which disclosed both the name of the person who paid for the communication and that it was not authorized by the candidate, in violation of 2 U.S.C § 441d(a)(3).

3. Respondents knowingly accepted a \$2,500 contribution which was \$1,500 in excess of the \$1,000 per election contribution limit of 2 U.S.C. § 441a(f).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of One Thousand Dollars (\$1,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY:

Lois G. Lerner
Lois G. Lerner
Associate General Counsel

8/19/88
Date

FOR THE RESPONDENTS:

Bill D. Lerner
(Name)
(Position) *General Counsel*
Elected 88

7/25/88
Date

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