



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2802

DATE FILMED 5/19/89 CAMERA NO. 4

CAMERAMAN J.A.Q.

89040750002



RECEIVED
FEDERAL ELECTION COMMISSION
88 DEC 27 PM 2:52
Story County Democratic Central Committee

1232 Wisconsin Ave.
Ames, IA 50010
23 December 1988

RECEIVED
FEDERAL ELECTION COMMISSION
88 DEC 27 AM 9:23

Federal Election Commission
Att.- Lawrence Noble
999 E Street N.W.
Washington, D.C. 20463

Dear Sirs:

The Story County Democratic Party would like to file a formal complaint with the Federal Election Commission on the following matter.

On the 2nd of November 1988 the Story County Republican Party placed an ad in The Advertiser, Ames, Iowa that appeared on Page 18 (enclosed). This ad clearly listed the Bush-Quayle team. The ad which encourages voters to support the Bush-Quayle team constitutes an "expenditure" as defined in 11 C.F.R. Section 100.8(a)(1) in that it was made for the purpose of influencing an election for federal office.

The expenditure by the Story County Republican Party for newspaper advertising is not permitted under the Federal Election Campaign Act, as amended, as an exception for state or local political parties as contained 11 C.F.R. Section 111.8(b)(16), which permits the payment by a state or local committee of a political party of the cost of certain campaign materials used by the committee in connection with volunteer activities on behalf of any nominees for federal office of such party. Newspaper advertising, as provided in 11 C.F.R. Section 100.8(h)(16)(i) is not a qualified volunteer activity.

The placement of the newspaper advertisement is in violation of 26 U.S.C. Section 9003(b) which provides that in order to be eligible to receive from the Treasury of the United States moneys from the Presidential Election Campaign Fund, the candidates of a political party must certify to the Commission, under penalty of perjury, that "no contributions to defray qualified campaign expenses have been or will be accepted by such candidates or any of their authorized committees." There is no showing, as required, that the advertisement was authorized and paid for by the Bush-Quayle Committee, Inc.

We believe that the expenditure by the Story County Republican Party constitutes an illegal in-kind contribution to the Bush-Quayle Committee, Inc. We look forward to hearing your ruling on this matter.

Sincerely,

Margo McNabb
Margo McNabb
Chair

Subscribed and sworn by complaint's chair before me this 24th day of December, 1988.

Mary Falk
Notary Public
1027 Ridgewood
Notary Address

Commission Expires:

8/1/91



THE PLUMBERY

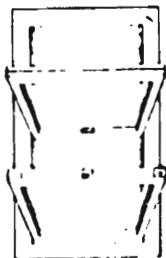
n Way
2

REMEMBER:
When you buy from us, if
there're problems, we
know how to fix it.

Beautiful
ay
Save
oney.
FREE
ESTIMATES

more details, call your
dow expert:

82-0663



DFORD
NDOWS

ford ...
only other choice is to settle
ss.

Four Seasons
LAWN & SPORT CENTER
322-3032 — 4020 West Lincoln Way, Ames
Toll Free Line 1-800-232-3031
Open: Mon-Fri. 8:00-5:00, Sat. 2:00-5:00

career or casual. Excellent
condition - like new. Sizes 7 &
8. 292-4710 after 6 p.m.

WANTED: IBM Compatible Com-
puter. Will pay reasonable price.
296-8369 eves.

DOUBLE Bed frame, Ford 400
V8 engine. 382-6223.

*Story County
Republican Committee
Asks You To Be Sure To*

VOTE

For These Outstanding Candidates

George
Bush

President

Dan
Quayle

Vice-President

Theresa
Garman

87th Dist.

Harold
Brinkman

73rd Dist.

Scott
Neasham

74th Dist.

Robins
Hawthorne

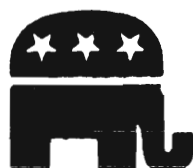
**Board of
Supervisors**

John
Stark

County Sheriff

Paul
Lunde

**Congress
4th Dist.**



Election Night Party

Gateway Center - 8 p.m.-12:30 a.m.

Paid for by Story County Republican Party



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 4, 1989

Dennis Pyle, Treasurer
Norm Rudi, Chairman
Story County Republican Party
Central Committee
315 6th Street
Box 763
Ames, IA 50010

RE: MUR 2802
Story County Republican
Party Central Committee
and Dennis Pyle, as
treasurer

Dear Mr. Pyle and Mr. Rudi:

The Federal Election Commission received a complaint which alleges that the Story County Republican Party Central Committee may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2802. Please refer to this number in all future correspondence.

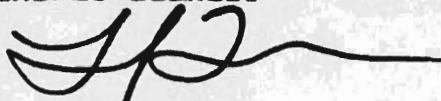
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Story County Republican Party Central Committee in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, 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 Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 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.

If you have any questions, please contact James Brown, the attorney 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
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

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

89040750006



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 4, 1989

J. Stanley Huckaby, Treasurer
Bush/Quayle '88
733 15th Street, NW
Washington, DC 20005

RE: MUR 2802
Bush/Quayle '88 and
J. Stanley Huckaby,
as treasurer

Dear Mr. Huckaby:

The Federal Election Commission received a complaint which alleges that Bush/Quayle '88 and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2802. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and Bush/Quayle '88 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 Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 U.S.C. 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.

8904075007

If you have any questions, please contact James Brown, the attorney 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
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

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

89040750008



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 4, 1989

Margo McNabb, Chair
Story County Democratic
Central Committee
1232 Wisconsin Avenue
Ames, IA 50010

RE: MUR 2802

Dear Ms. McNabb:

This letter acknowledges receipt on December 27, 1988, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by Bush/Quayle '88 and J. Stanley Huckaby, as treasurer, and the Story County Republican Party Central Committee and Dennis Pyle, as treasurer. 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 2802. 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
General Counsel

By: Lois G. Lerner
Associate General Counsel

Enclosure
Procedures

99040750009

phm

000 18/8



RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION

89 FEB 13 AM 10:05

STORY COUNTY REPUBLICAN CENTRAL COMMITTEE
P.O. BOX #1709 AMES, IOWA 50010

7 Feb 1989

Mr. James Brown
Federal Election Commission
Washington D C 20463

Dear Mr Brown

Re: MUR 2802

Enclosed is the designation of counsel for the Story County Republican Central Committee for the above complaint filing.

Due to several circumstances, we have been delayed beyond the fifteen day response deadline. We hereby request a time extension in order to file the proper documents which explain our circumstance.

Our counsel will be filing in the next few days. We appreciate your consideration for this extension.

Sincerely


Norman Rudi
Story County Chair

RECEIVED
FEDERAL ELECTION COMMISSION
89 FEB 13 PM 1:10

89040750010

STATEMENT OF DESIGNATION OF COUNSEL

NUR 2802

NAME OF COUNSEL: Kirk Goettsch

ADDRESS: 315 Sixth St
Ames Iowa 50010

TELEPHONE: 515-232-2501

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.

18 Jan 1989

Date

Signature

Norman Rudi

RESPONDENT'S NAME: Norman Rudi Story County Republican Chair

ADDRESS: 2012 Pinehurst Drive
Ames Iowa 50010

HOME PHONE: 515-292-9033

BUSINESS PHONE: 515-232-5600

89040750011

OG C 1902

LAW OFFICES
CLARK, HASTINGS & GOETTSCH
315 SIXTH STREET
P.O. Box 1794
AMES, IOWA 50010

GEORGE H. CLARK, JR.
CRAIG R. HASTINGS
KIRK E. GOETTSCH

GEORGE H. CLARK, (1895-1974)
(515) 232-2511

February 14, 1989

Federal Election Commission
Washington, D.C. 20463

Attn.: James Brown

Re: MUR 2802

Dear Mr. Brown:

You should have recently received a designation of counsel by the Respondent, the Story County Republican Party, designating me as such counsel.

The Designation of Counsel was accompanied by a letter from the Story County Chair indicating the need for an extension of time to respond to the allegations contained in the complaint. I hereby renew and join in that request.

Also, if there are particular forms required for use by the FEC in these matters, please forward copies of such forms to me for use in preparing our response to the complaint.

We will be presently preparing this response for submission and consideration. However, I will await a response from you with word on our request for extension of time and the proper forms if any to be used. You can be assured of our cooperation and desire for a prompt resolution to this situation.

Please feel free to call if you have any questions. Thank you very much for your consideration and assistance.

Very truly yours,
CLARK, HASTINGS & GOETTSCH

by *Kirk E. Goettsch*

KEG:mac

89 FEB 21 PM 1:49

89 FEB 21 AM 10:30

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

2100520000

06C1955

LAW OFFICES
CLARK, HASTINGS & GOETTSCH
315 SOUTH STREET
P.O. Box 1794
AMES, IOWA 50010

GEORGE H. CLARK, JR.
CRAIG R. HASTINGS
KIRK E. GOETTSCH

GEORGE H. CLARK, (1806-1974)

(515) 232-2501

February 23, 1989

Federal Election Commission
Washington, D.C. 20463

Attn.: James Brown

Re: MUR 2802

Dear Mr. Brown:

Thank you for your phone call of yesterday. The Story County Republican Party hereby requests an extension of time for response to the date of your receipt of this letter.

The advertisement in question was placed in the Ames Advertiser at a cost of \$150.00. The distribution of the ad was county-wide.

The circumstances surrounding the placement of the ad were as follows. The Story County Republican Party inquired at the Advertiser regarding the placement of an ad containing the entire slate of Republican candidates from the national level down to the local races. The Advertiser Editor, Karen Van Drie, placed a phone call to the FEC. She was told by someone at the FEC that as long as the ad listed the entire slate of candidates without emphasizing the national candidates it did not violate any FEC regulations.

I tried to reach Ms. Van Drie to find out who at the FEC she talked to and their phone number but she is on vacation until March 6, 1989. I left a message at the Advertiser that you may be contacting Ms. Van Drie upon her return from vacation to discuss this matter. The other personnel at the Advertiser were unaware of the circumstances and could offer little help.

Interestingly, the Story County Democrats had placed a similar advertisement in the Ames Advertiser in the same issue but it was withdrawn without explanation before it was run. The call made by Ms. Van Drie was to clear the way for publication of the ads from both parties.

I hope this explanation clears this matter up. I invite you to contact Ms. Van Drie after March 6th. I am sure she will be able to shed further light on the details of her call to your office. Her phone number at the Advertiser is (515) 233-1251.

Please feel free to call if you have any additional questions. Thank you very much for your consideration and assistance.

Very truly yours,
CLARK, HASTINGS & GOETTSCH

by

Kirk E. Goettsch

KEG:mac

RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION
89 FEB 27 AM 11:00

RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION
89 FEB 27 PM 3:48

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0602136
RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION

89 MAR 13 AM 9:24

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D. C. 20006
(202) 429-7000

JAN W. BARAN
(202) 429-7330

March 8, 1989

TELECOPIER
(202) 429-7049
TELEX 248349 WYRN UR

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

Re: MUR 2802

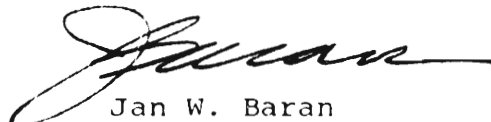
Dear Mr. Noble:

This office represents Bush/Quayle 88 and J. Stanley Huckaby, as treasurer, in the above-captioned matter. Enclosed please find an executed Statement of Designation of Counsel confirming our representation.

In order for us to prepare a response to the complaint, I respectfully request an extension of 20 days within which to respond up to and including April 5, 1989.

Your favorable consideration of the request will be appreciated.

Sincerely,


Jan W. Baran

rpb
Encl.
cc: Mr. J. Stanley Huckaby

89 MAR 13 PM 1:04

RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 2802

NAME OF COUNSEL: Jan Baran

ADDRESS: Wiley, Rein & Fielding


1776 K Street, NW

Washington, DC 20006

TELEPHONE: 202 429-7330

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

3/1/89
Date


Signature

RESPONDENT'S NAME: J. Stanley Huckaby

ADDRESS: 228 S. Washington Street

Alexandria, VA 22314

HOME PHONE: _____

BUSINESS PHONE: 703-549-7705

83040750015



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 15, 1989

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

RE: MUR 2802
Bush/Quayle 88 and J. Stanley
Huckaby, as treasurer

Dear Mr. Baran:

This is in response to your letter dated March 8, 1989, which we received on March 13, 1989, requesting an extension of 20 days until April 5, 1989, to respond to the above referenced complaint filed by the Story County (Iowa) Democratic Party. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on April 5, 1989.

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

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

39040750016

ORIGINAL

OCC 2864

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D. C. 20006
(202) 429-7000

SHERRIE P. MARSHALL
(202) 828-3188

March 31, 1989

FACSIMILE
(202) 429-7049
TELEX 248349 WYRN UR

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

Attn: Jim Brown

Re: MUR 2802

Dear Mr. Noble:

This response is submitted on behalf of Bush-Quayle 88, Inc., and J. Stanley Huckaby, as Treasurer ("Respondents"), in reply to a complaint filed by the Story County (Iowa) Democratic Party, and designated Matter Under Review ("MUR") 2802. For the reasons set forth herein, the Federal Election Commission should find no reason to believe that Respondents violated any provisions of the Presidential Election Campaign Fund Act ("the Fund Act").

The Complaint

The Complaint in this matter, which names the Story County Republican Party as a respondent, concerns a newspaper advertisement which "encourage[d] voters to support the Bush-Quayle team." Complaint at ¶ 2. Although the advertisement

89 APR -4 AM 10:49

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WILEY, REIN & FIELDING

Lawrence M. Noble, Esquire
March 31, 1989
Page 2

bears the disclaimer "Paid for by Story County Republican Party", complainant alleges that "the advertisement was authorized and paid for by the Bush-Quayle Committee, Inc." Complaint at ¶ 4. Complainant further alleges that the "expenditure by the Story County Republican Party constitutes an in-kind contribution to the Bush-Quayle Committee" in violation of 26 U.S.C. § 9003(b).

Response

The Fund Act

Section 9003(b)(2) of the Fund Act requires the candidates of a major party to certify that "no contributions to defray qualified campaign expenses have been or will be accepted by such candidates or any of their authorized committees. . ." As candidates, then Vice President Bush and Senator Quayle made this certification and received public funds for their 1988 general election campaign. Further, both candidates organized their one authorized campaign committee, Bush-Quayle 88, to ensure that the Campaign strictly adhered to the limits of this certification.

The Bush-Quayle Campaign in Iowa

The Campaign had a State Chairman for its Iowa effort, George Wittgraff, who was "responsible for the development and implementation of the Iowa strategy for the general

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WILEY, REIN & FIELDING

Lawrence M. Noble, Esquire
March 31, 1989
Page 3

election campaign." Affidavit of George Wittgraff in MUR 2802 (hereinafter "Wittgraff Aff.") at ¶¶ 1, 2. When local county parties sought advice with regard to the parameters of activity that they could undertake on behalf of Bush-Quayle 88, the Iowa Chairman and his staff stressed to the County Chairmen "that their party organizations could not provide and pay for newspaper or radio advertisements on behalf of then Vice President George Bush and Senator Quayle." Id. at ¶ 4.

Unauthorized Activity by Others

The activity apparently undertaken by the Story County Republican Party in Iowa was "not done on behalf of, nor coordinated with, the Bush-Quayle 88 Campaign," as Mr. Wittgraff's Affidavit states. Id. at ¶ 8. The Story County Republican Party was not part of the organizational structure of the Bush-Quayle Campaign, and, as noted above, the counties had been advised not to pay for any newspaper advertisements on behalf of George Bush. Id. at ¶ 4. As a result, "any funds expended by the Story County Republican Party were not expended with the authorization, with the consultation, or at the direction, request, or suggestion of Bush-Quayle 88." Id. at ¶ 8.

This newspaper advertisement therefore was not an activity authorized by or known to Bush-Quayle 88. Indeed,

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WILEY, REIN & FIELDING

Lawrence M. Noble, Esquire
March 31, 1989
Page 4

no one connected with the Campaign, including the Iowa State Chairman and his staff had seen the newspaper advertisement at issue in this matter or knew anything about it until the Campaign received a copy of this complaint from the Federal Election Commission. Id. at ¶¶ 6, 7.

Inasmuch as this advertisement was unknown to the Campaign, the expenditures at issue in this matter were obviously "not made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate." 11 C.F.R. § 109.1(a). Thus, Bush-Quayle 88 did not accept any contributions to defray qualified campaign expenses, just as Vice President Bush and Senator Quayle certified that they and their authorized committee would not under 26 U.S.C. § 9003(b).

Accordingly, the Commission should find no reason to believe that Bush-Quayle 88, Inc. and J. Stanley Huckaby, as Treasurer, violated the Fund Act.

Sincerely,



Jan W. Baran


Sherrie P. Marshall

Counsel for Bush-Quayle 88,
Inc. and J. Stanley Huckaby, as
Treasurer

cc: J. Stanley Huckaby
JWB/SPM:bap

9 9 9 4 0 7 5 0 0 2 0

BEFORE THE FEDERAL ELECTION COMMISSION

STATE OF IOWA)
 : ss. MUR 2802
CHEROKEE COUNTY)

AFFIDAVIT

GEORGE W. WITTGRAF, first being duly sworn, deposes and says:

1. That I am George W. Wittgraf of Cherokee, Cherokee County, Iowa, who served as Iowa Chairman of the Bush-Quayle 88 Campaign, the general election campaign committee ("Campaign" or "Committee") of then Vice President George Bush and Senator Dan Quayle.

2. That, as Iowa Chairman of the Bush-Quayle 88 Campaign, I was responsible for both the development and the implementation of the Iowa strategy for the general election campaign, as well as directing the budget for our State.

3. That, in addition, I periodically had contact with the Iowa Republican County Chairmen with regard to the parameters of permissible activities the county parties could undertake on behalf of the Campaign.

4. That Christy Cobb, our only staff member, stressed to said Republican County Chairmen that their party organizations could not provide and pay for newspaper or radio advertisements on behalf of then Vice President George Bush and Senator Dan Quayle.

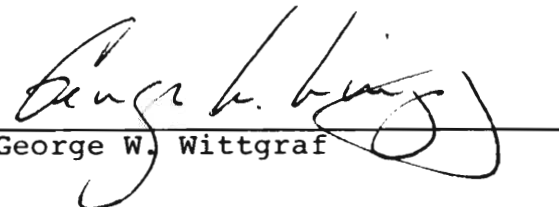
89040750021

5. That I am familiar with the allegations contained in the Complaint of Matter Under Review 2802 in regard to an expenditure made by "Story County Republican Party" for a newspaper advertisement, which advertisement constituted an in-kind contribution to the Bush-Quayle 88 Campaign.

6. That I had not seen the newspaper advertisement placed by "Story County Republican Party" until and after said advertisement became the subject of this MUR.

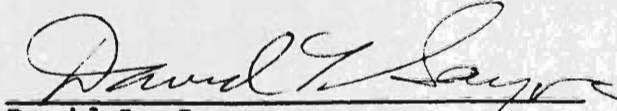
7. That I also have conferred with the said Christy Cobb regarding said advertisement and she has informed me that, like me, she knew nothing about said advertisement until contacted by me in connection with this Complaint.

8. That any activity undertaken by "Story County Republican Party" with regard to the expenditure at issue in this matter was not done on behalf of, nor coordinated with, the Bush-Quayle 88 Campaign; and that any funds expended by "Story County Republican Party" were not expended with the authorization, with the consultation, or at the direction, request or suggestion of the Bush-Quayle 88 Campaign.


George W. Wittgraf

89040750022

Subscribed to and sworn to before me by George W.
Wittgraf on this 27th day of March, A.D., 1989.



David L. Sayre
Notary Public in and for the
State of Iowa.

33040750023

89 APR 14 PM 3:50

SENSITIVE

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

FIRST GENERAL COUNSEL'S REPORT

MUR 2802
DATE COMPLAINT RECEIVED
BY OGC: December 27, 1988
DATE OF NOTIFICATION TO
RESPONDENTS: January 4, 1989
STAFF MEMBER: J. Albert Brown
George F. Rishel

COMPLAINANT: Story County Democratic Party

RESPONDENTS: Story County Republican Party Central
Committee and Dennis Pyle, as treasurer
Bush-Quayle 88 and J. Stanley Huckaby, as
treasurer

RELEVANT STATUTES: 2 U.S.C. § 431(8) and (9)
2 U.S.C. § 441a
2 U.S.C. § 441d
26 U.S.C. § 9003(b)(2)
11 C.F.R. § 110.7

INTERNAL REPORTS CHECKED: None

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF THE MATTER

On December 27, 1988, Margo McNabb, the Chair of the Story County Democratic Central Committee (the "Complainant"), submitted a complaint to the Commission alleging that the Story County Republican Central Committee (the "Party"), violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"), by making unauthorized expenditures on behalf of the Republican Presidential and Vice Presidential nominees, George Bush and Dan Quayle. The complaint also

89040750024

alleges that Bush-Quayle 88 and J. Stanley Huckaby, as treasurer, violated 26 U.S.C. § 9003(b)(2) by accepting the Story County newspaper advertisement as an in-kind contribution.

The Complainant contends that on November 2, 1988, the Party placed a "slate card" advertisement in The Advertiser newspaper in Ames, Iowa, promoting Republican candidates including Presidential and Vice Presidential candidates, George Bush and Dan Quayle. This advertisement explicitly stated that it was paid for by the Story County Republican Party. It did not indicate, however, whether it was authorized by any candidate for federal office. See Attachment 1. Counsel for the Story County Republican Party responded initially on February 21, 1989, and supplemented his response on February 27, 1989. See Attachment 2. When no response had been received from Bush-Quayle 88, this Office contacted counsel for the committee, who provided a new address for the committee. A copy of the complaint was sent to the new address. On April 4, 1989, Bush-Quayle 88 submitted a response to the Commission via counsel. See Attachment 3.

II. FACTUAL AND LEGAL ANALYSIS

The Act defines contributions and expenditures as anything of value including a gift, loan, or advance made by any person for the purpose of influencing a federal election. 2 U.S.C. § 431(8)(A) and 2 U.S.C. § 431(9)(A). Expenditures made by any

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person in cooperation, consultation, or concert with, or at the request or suggestion of a candidate or his authorized committee are considered in-kind contributions under the Act. 2 U.S.C. § 441a(a)(7)(B)(i). Multicandidate political committees may make up to \$5,000 in contributions to any candidate for federal office or his authorized political committee. 2 U.S.C. § 441a(a)(2)(A).

The Act provides that notwithstanding any other provisions of law with respect to limitations on expenditures or contributions, a national committee may make certain limited coordinated party expenditures in connection with the general election campaign of any candidate for President who is affiliated with that party. 2 U.S.C. § 441a(d)(2). The Act does not include a similar provision for state or local party committees to make expenditures on behalf of a Presidential candidate. See 2 U.S.C. § 441a(d). Commission Regulations indicate, however, that a national party committee may make such expenditures through a designated agent, including state and subordinate party committees. 11 C.F.R. § 110.7(a)(4). Local party committees, however, may not make independent expenditures in connection with the general election campaign of a Presidential candidate. 11 C.F.R. § 110.7(a)(5). For a Presidential candidate or his authorized committee to accept contributions would be a violation of 26 U.S.C. § 9003(b) if the particular presidential campaign has certified that it will not

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do so in order to be eligible for federal funding.

The Act and Regulations exclude certain types of disbursements made by state or local party committees on behalf of their Presidential candidates from the definitions of contributions and expenditures. See, e.g., 2 U.S.C.

§ 431(8)(B)(v); 2 U.S.C. § 431(9)(B)(iv) (payment by state or local committees of costs incurred with respect to printed slate card or sample ballot); 2 U.S.C. § 431(8)(B)(x); 2 U.S.C.

§ 431(9)(B)(viii) (payment by state or local committees of campaign material distributed by volunteers); 2 U.S.C.

§ 431(8)(B)(xii); 2 U.S.C. § 431(9)(B)(ix) (payment of voter registration and get out the vote costs made by state or local party committees on behalf of Presidential nominee).

Disbursements for newspaper advertising and other similar types of general public advertising, however, do not qualify for these exemptions. Id. The Act further provides that no political committee shall knowingly make any expenditure in violation of 2 U.S.C. § 441a, and that no officer or employee of a political committee shall knowingly make any expenditure on behalf of a candidate in violation of any limitation imposed on contributions and expenditures under 441a. 2 U.S.C. § 441a(f).

The Act also requires that whenever any person, including a party committee, makes an expenditure for a communication that expressly advocates the election of a clearly identified federal candidate and such communication is disseminated through any

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newspaper, the communication shall state who paid for it and whether or not it was authorized by any candidate. 2 U.S.C. § 441d.

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The Story County Republican Party responds that it spent a total of \$150 for the advertisement in question. It further states that after the Party inquired regarding the placement of the advertisement, the editor of the publication called the Commission and was told by an unidentified Commission employee that as long as the advertisement listed the entire slate of candidates without emphasizing the national candidates, it would not violate Commission regulations. The response does not claim that the Party placed the advertisement as an authorized agent for the Republican National Committee nor that it was placed in cooperation with the Bush-Quayle campaign. Because the advertisement consists of a slate of candidates and expressly advocates the election of federal candidates and was published in a newspaper, it does not qualify for any of the above-mentioned exemptions, and thus constitutes an expenditure under the Act.

The Bush-Quayle 88 response states that the Story County Republican Party was not part of the organizational structure of the Bush-Quayle Campaign, and that any expenditures by the Story County Republican Party were not authorized by, made in consultation with, or at the direction, request, or suggestion of Bush-Quayle 88. The Bush-Quayle 88 response encloses an affidavit sworn to by the Iowa State Chairman for Bush-Quayle

88, George Wittgraff. He avers that when local county parties sought advice with regard to the parameters of their activity they were explicitly informed "that their party organizations could not provide and pay for newspaper or radio advertisements on behalf of then Vice President George Bush and Senator Quayle." See Attachment 3 at page 5. Finally, the Bush-Quayle 88 response states that no one connected with that campaign, including the Iowa State Chairman and his staff had seen or knew of the existence of the Story County newspaper advertisement until notification of the complaint was received from the Commission.

In light of the foregoing, this Office recommends that the Commission find reason to believe that the the Story County Republican Party violated 2 U.S.C § 441a(f) by making an unauthorized expenditure on behalf of George Bush and Dan Quayle. This Office further recommends that the Commission find reason to believe the Story County Republican Party violated 2 U.S.C. § 441d by failing to state whether or not the advertisement was authorized by any candidate. With regard to both of these recommendations, this Office further recommends that the Commission take no further action because of the small amount of the expenditure attributable to the listed federal candidates. These recommendations are consistent with the Commission's action in MURs 2739, 2740, 2749, and 2751.

This Office also recommends that the Commission find no

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reason to believe Bush-Quayle 88 violated 26 U.S.C.

§ 9003(b)(2), because there is no evidence that Bush/Quayle 88 had any knowledge of or involvement in the publication of this advertisement.

III. RECOMMENDATIONS

1. Find reason to believe that the Story County Republican Party Central Committee and Dennis Pyle, as treasurer, violated 2 U.S.C. §§ 441a(f) and 441d and take no further action.
2. Find no reason to believe that Bush-Quayle 88 violated 26 U.S.C. § 9003(b)(2).
3. Approve the attached letters.
4. Close the file.

Lawrence M. Noble
General Counsel

April 14, 1989
Date

By:

George F. Rishel

George F. Rishel
Acting Associate General Counsel

Attachments

1. Complaint
2. Story County Response
3. Bush-Quayle 88 Response
4. Letters (3)

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Story County Republican Party Central)
Committee and Dennis Pyle, as treasurer)

MUR 2802

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on April 19, 1989, the Commission decided by a vote of 6-0 to take the following actions in MUR 2802:

1. Find reason to believe that the Story County Republican Party Central Committee and Dennis Pyle, as treasurer, violated 2 U.S.C. §§ 441a(f) and 441d and take no further action.
2. Find no reason to believe that Bush-Quayle 88 violated 26 U.S.C. § 9003(b)(2).
3. Approve the letters, as recommended in the First General Counsel's report signed April 14, 1989.

(Continued)

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Federal Election Commission
Certification for MUR 2802
April 19, 1989

Page 2

4. Close the file.

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

Attest:

4-19-89

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary:	Fri.,	4-14-89,	3:50
Circulated on 48 hour tally basis:	Mon.,	4-17-89,	11:00
Deadline for vote:	Wed.,	4-19-89,	11:00

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

April 26, 1989

Kirk E. Goettsch, Esquire
Clark, Hastings & Goettsch
P.O. Box 1794
Ames, IA 50010

RE: MUR 2802
Story County Republican
Party Central Committee
and Dennis Pyle, as
treasurer

Dear Mr. Goettsch:

On April 19, 1989, the Federal Election Commission found reason to believe that your clients, the Story County Republican Party Central Committee and Dennis Pyle, as treasurer, violated 2 U.S.C. §§ 441a(f) and 441d, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file. The General Counsel's Report, which formed a basis for the Commission's findings, is attached for your information.

The Commission reminds you that a party committee's publishing of an advertisement in a newspaper that expressly advocates the election of federal candidates, without stating who paid for the advertisement and whether or not it was authorized by any candidate, appears to be in violation of the cited sections. Your clients should take immediate steps to insure that this activity does not occur in the future.

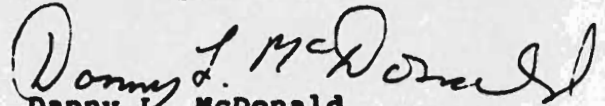
The file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

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Kirk E. Goettach
Page 2

If you have any questions, please direct them to Jim Brown,
the attorney assigned to this matter, at (202) 376-8200.

Sincerely,


Danny L. McDonald
Chairman

Enclosure
General Counsel's Report

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 26, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Margo McNabb, Chair
Story County Democratic
Central Committee
1232 Wisconsin Ave.
Ames, IA 50010

RE: MUR 2802

Dear Ms. McNabb:

This is in reference to the complaint you filed with the Federal Election Commission on December 27, 1988, concerning the Story County Republican Party Central Committee and Bush-Quayle 88.

Based on that complaint, on April 19, 1989, the Commission found that there was reason to believe the Story County Republican Party Central Committee and Dennis Pyle, as treasurer, violated 2 U.S.C. §§ 441a(f) and 441d, provisions of the Federal Election Campaign Act of 1971, as amended. However, after considering the circumstances of this matter, the Commission determined to take no further action against the Story County Republican Party Central Committee and Dennis Pyle, as treasurer.

The Commission also found there was no reason to believe Bush-Quayle 88 and J. Stanley Huckaby, as treasurer, violated 26 U.S.C. § 9003(b)(2), a provision of Chapter 95 of Title 26, United States Code. Accordingly, the Commission closed the file in this matter.

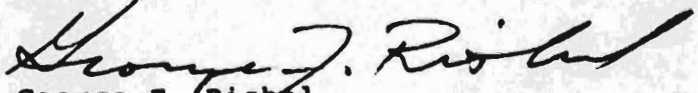
This matter will become part of the public record within 30 days. The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Margo McNabb
Page 2

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

Sincerely,

Lawrence M. Noble
General Counsel



BY: George F. Rishel
Acting Associate General Counsel

Enclosure
General Counsel's Report

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

plm
April 26, 1989

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

RE: MUR 2802
Bush-Quayle 88 and J.
Stanley Huckaby, as
treasurer

Dear Mr. Baran and Ms. Marshall:

On January 4 and February 23, 1989, the Federal Election Commission notified your clients of a complaint alleging violations of certain sections of Chapter 95 of Title 26, United States Code.

On April 19, 1989, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe your clients violated 26 U.S.C. § 9003(b)(2). Accordingly, the Commission closed its file in this matter.

This matter will become a part of the public record within 30 days. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
General Counsel's Report

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2802

DATE FILMED 5/13/89 CAMERA NO. 4

CAMERAMAN J.A.Q.

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