



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2123

DATE FILMED 2/7/91 CAMERA NO. 4

CAMERAMAN AS

21040323829

OGC 7905

ROY C. AFFLERBACH
18TH DISTRICT
CROWN TOWER - SUITE 110
33 SOUTH SEVENTH STREET
ALLENTOWN, PA 18101
215-434-3300

SENATE POST OFFICE BOX 16
MAIN CAPITOL BUILDING
HARRISBURG, PA 17120-0030
717-787-1349



Senate of Pennsylvania

Harrisburg

COMMITTEES

- CONSUMER PROTECTION AND PROFESSIONAL
LICENSURE, MINORITY CHAIRMAN
- AGRICULTURE
- EDUCATION
- PUBLIC HEALTH AND WELFARE
- LOCAL GOVERNMENT COMMISSION
- PENNSYLVANIA PUBLIC TELEVISION
COMMISSION
- ACID RAIN CAUCUS
- CAUCUS FOR THE DEVELOPMENTALLY
CHALLENGED, CO-CHAIRMAN
- CHILDREN'S CAUCUS

MUR 3123

September 12, 1990

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

To Whom It May Concern:

We respectfully request that your office conduct an investigation of the following political campaign fundraising scheme to determine if it complies with federal statutes regulating political campaigns and elections.

The Republican Presidential Task Force is mailing out a campaign fund-raising letter that is misleading and could be illegal. Senator Roy C. Afflerbach received a copy of this fundraising letter and constituents of Representative Babette Josephs also received copies. A copy of the fundraising letter and material accompanying it is enclosed.

The three-page letter includes a \$25 check made payable to the solicitee. The letter states that the check is real. However, by endorsing this check and depositing it into a checking account, the person will then be participating in "the Republican Party's newest Candidate Escrow Funding concept."

RECEIVED
FEDERAL ELECTION COMMISSION
30 SEP 18 PM 12:34
COUNSEL

50 SEP 13 PM 9:31

210403330

September 12, 1990

It is not until 12 paragraphs into the letter that the new "Candidate Escrow Funding concept" is defined. It means that the person depositing the check is giving the Republican Presidential Task Force the authority to automatically withdraw \$12.50 a month from his or her checking account.

The letter explains that involvement in this program can be terminated by calling the organization at a toll-free number. But before a person can terminate his or her involvement, he or she must first complete a two-month test trial period in the program.

In other words, the Republican Presidential Task Force is guaranteed to recoup its \$25 check by deducting \$12.50 a month from a person's checking account for at least the first two months.

Some questions we have about this fund-raising scheme include: Is this a legitimate campaign fundraiser under the United States election law? What political campaigns are supported by money donated to this fund? (The name "Republican Presidential Task Force" provides the impression that fundraising is being conducted for presidential elections when in fact, small print at the bottom of the first page indicates the money is being collected by the National Republican Senatorial Campaign.) Would a person participating in this scheme be subject to campaign finance reporting requirements? Can a person cash this check without obligating himself to further contributions to the Republican Presidential Task Force?

Another concern we have with this fund-raising scheme is that the Task Force is actually making contributions to political campaigns in the names of other people -- i.e. in the names of all the people who cash the check and by cashing the check, return the money to the Task Force as a political contribution. Another interesting question is whether or not the Task Force will report these contributions under its political action committee or as contributions by individuals. If the money is reported as individual contributions, it is then possible that the Task Force will actually be distributing funds in excess of legal limits to political campaigns.

September 12, 1990

We are most concerned that Pennsylvania residents who receive this letter may not completely understand what they are obligating themselves to do.

Thank you for your attention.

Sincerely,

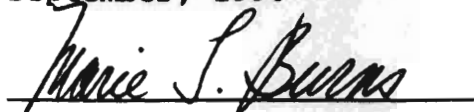


Roy C. Afflerbach
Pennsylvania State Senator
16th District
Room 543 MC
Harrisburg, PA 17120
(717) 787-1349



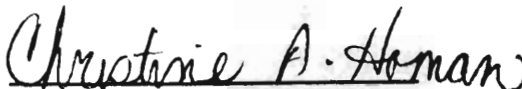
Babette Joseph
Pennsylvania State
Representative
182nd District
Room 111-B, East Wing
Harrisburg, PA. 17120
(717) 787-8529

Sworn before me
This 12th Day of
September, 1990



NOTARIAL SEAL
MARIE T. BURNS, Notary Public
City of Allentown, Lehigh Co., Pa.
My Commission Expires July 20, 1991

Sworn before me
This 12th Day of
September, 1990



NOTARIAL SEAL
CHRISTINE A. HOMAN, Notary Public
City of Philadelphia, Phila. County
My Commission Expires April 11, 1994

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046353

REPUBLICAN PRESIDENTIAL
TASK FORCE

Ronald Reagan
FOUNDER

Albert E. Mitchler
EXECUTIVE DIRECTOR

August 16, 1990

Dear Mr. Afflerbach:

The enclosed \$25 check is real.

And you'll be happy to know that the Executive Committee of the Republican Presidential Task Force recommended that you receive it.

The Executive Committee believes your past accomplishments as well as your personal commitment to our President and our nation make you worthy of the special recognition recipients of this check are eligible to receive.

For when you endorse this \$25 check and deposit it, you will be agreeing to participate in the testing of the Republican Party's newest candidate support concept called Candidate Escrow Funding (CEF).

CEF is a revolutionary new concept designed to give our incumbent and challenger candidates the extra edge they'll need this November to defeat Liberal Democrats who oppose President Bush.

And all participants in our CEF testing program will automatically be eligible for inclusion in Who's Who in the Republican Party.

President George Bush, Vice President Dan Quayle, President Ronald Reagan and many of their most important supporters will also be included in this prestigious publication.

Needless to say, each of these individuals is deeply touched to receive this honor and each will be delighted to know that you are receiving the same recognition.

But in order to be eligible for inclusion in Who's Who in the Republican Party you must agree to participate in the testing of the Republican Party's newest Candidate Escrow Funding concept.

And the testing of this new funding concept is being conducted at ABSOLUTELY NO COST TO YOU -- we'd simply like you to try CEF for two months at our expense.

To do this just sign the endorsement on the reverse side of the enclosed check, deposit the check and then for each of the next two months \$12.50 will be instantly transferred directly

425 Second Street, N.E. ■ Washington, D.C. 20002 ■ 1-800-877-6772

Paid for and authorized by the National Republican Senatorial Committee. Contribution Refunds Unconditionally Guaranteed. Contributions to the National Republican Senatorial Committee are not deductible as charitable contributions for federal income tax purposes.

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Patent Pending

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from your bank to a vitally important Candidate Support Program.

And if after two months you are not completely satisfied or if for any reason you don't feel comfortable participating in this program, then simply call us at 1-800-877-6772 and we will instantly terminate your involvement.

But if after the completion of your two month "test" trial period, you think CEF makes sense, then at that point the \$12.50 automatic transfer will continue and you will join the ranks of a small dedicated group of concerned Americans who have made an on-going financial commitment to helping elect candidates who truly support our President and his programs.

And if you have the slightest doubt about the importance of CEF -- let me stress one important point. Historically far too many GOP candidates on the threshold of victory have simply run out of money and, as a consequence, lost the election.

And your willingness to help us prove the validity of this new "CEF" funding concept will go a long way towards helping us solve this grave problem. Equally exciting is the fact that CEF will also help us to get needed resources to our candidates faster.

In this day of instant communications every second counts in a political campaign and every new technological advancement we can use to enhance the speed with which we can get resources to our candidates -- tips the election scales in our favor.

In addition, mass participation in CEF will allow the Task Force to dramatically slash mailing, administrative, and postage costs. This means that at every stage of the campaign there will be more resources available to our candidates.

Moreover, having a reliable, ongoing source of funding will enable the Task Force to make firm, binding commitments to campaign programs that could only be dreamed about during previous election cycles.

Hi-tech Voter Identification Programs, Hi-tech Voter Registration Programs, and Hi-tech Voter Turnout Programs can now become a reality for all our incumbent and challenger candidates.

Technology has only recently made it possible for us to unleash this new, powerful electronic weapon. Now that we have CEF -- it's absolutely essential you help us put it to good use.

And to show our appreciation we have made special arrangements to have your personal biographical background included in the Charter issue of Who's Who in the Republican Party.

This is a once-in-a-lifetime opportunity and it is yours with our compliments, if you will simply agree to try our new Candidate Escrow Funding concept.

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Testing this concept costs you nothing, since the Task Force is advancing you the money to pay for the first two months. And remember, we unconditionally guarantee your complete satisfaction with CEF.

So, I urge you to take just a moment to endorse the enclosed check and deposit it without delay.

Also, please be certain to deposit your check before its expiration date. If this check is not deposited before this date -- you will forfeit your right to be included in the Charter issue of Who's Who in the Republican Party.

That would be tragic because Who's Who in the Republican Party is destined to become one of America's most prestigious reference books. And to officially induct you into Who's Who in the Republican Party, you will be sent a Certificate of Registration which will be notarized and appropriate for framing.

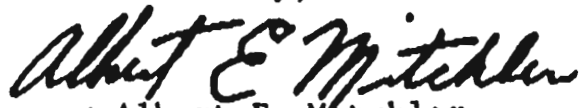
Undoubtedly this impressive document will become one of your family's most treasured keepsakes. It will be beautifully calligraphed with your name and printed on fine vellum. I am confident you will want to display this impressive Who's Who Certificate prominently in either your home or office.

In addition to this stately document, you will also receive an Official Who's Who in the Republican Party Biographical Data Form which you will be asked to complete in its entirety.

This special distinction of being accepted for inclusion in the Charter issue of Who's Who in the Republican Party is totally unique. It will never again be offered to anyone.

So please, I urge you to sign the endorsement and deposit your check today.

Sincerely,


Albert E. Mitchler
Executive Director

P.S. You are being asked to participate in a "no-risk", "no-nonsense" trial test of an important new candidate support concept. It will cost you nothing to participate in this test. So please don't delay even one day in depositing your check. Thank you.

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9 1 0 4 0 3 2 3 3 3 6

425 Second Street, N.E.
Washington, D.C. 20002
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CHECK ENCLOSED



**IMPORTANT
MAIL**



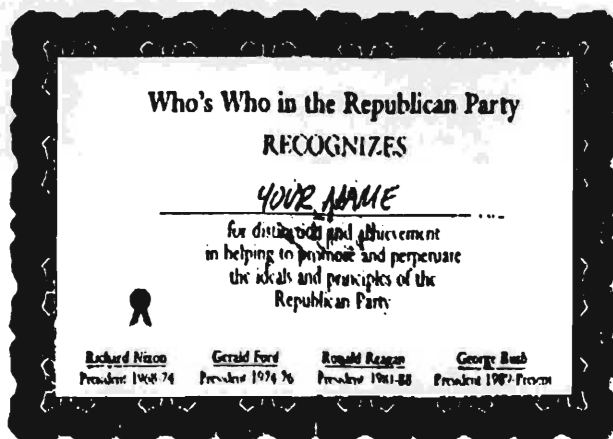
7 3 8 3 2 3 4 0 1 9

Who's Who in the Republican Party

A chronicle attesting to the Achievements of the Republican Party's most influential, active, and loyal supporters.

To officially induct you into Who's Who in the Republican Party you will be sent a Certificate of Registration which will be notarized and appropriate for framing.

Replica



It will be a lasting record accessed and relied upon by commentators, media personalities, news makers, writers, elected officials and the entire Republican Establishment.

Inclusion in the Charter Issue of Who's Who in the Republican Party is a Once in a Lifetime Opportunity.

"It's An Honor without Equal"

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KEMP ★

ONALD REAGAN ★ GEORGE BUSH ★ BOB

STROM THURMOND ★ JOHN HEINZ ★ NA

RODNEY SMITH ★ JAMES DANFORTH QUAY

ZABEL

BURCH

NIXON

HARLE

ETE WI

★ JAN

N QU

CLAU

JOHN S

DAN COATS ★ PETE DUPONT ★ SUSAN

E GORTON ★ HOWARD BAKER ★ STEVE SYM

ARLEN SPECTER ★ TOM TAUKE ★ CONNIE W

MARK HATFIELD ★ PAT SAIKI ★ BON NICK

CONRAD BURNS ★ MARGE ROUKEMA ★ TE

GRAMM ★ BOB MICHEL ★ BARRY GOLDWA

★ JERRY FORD ★ LYNN MARTIN ★ BOB PAC

★ BOB KASTEN ★ TRENT

**Who's Who
in the
Republican
Party**

91040823838



GEORGE HERBERT WALKER BUSH

President of the
United States 1989-Present

Sample Biography Abbreviated

Born: Milton, Massachusetts June 12, 1924
 Parents: Prescott and Dorothy Walker Bush
 Married: Barbara Pierce January 6, 1945
 Children: George, John (Jeb), Neil, Marvin, and Dorothy
 Education: High School: Andover Academy;
 College: Yale University
 Military Service: U.S. Navy—Distinguished Flying Cross
 Career: 1976-1977 Director of the Central Intelligence
 Agency
 1981-1988 Vice President of the United States
 Hobbies: Fishing and Horseshoes



RONALD WILSON REAGAN

President of the
United States 1981-1988

Sample Biography Abbreviated

Born: Tampico, Illinois February 6, 1911
 Parents: John and Nelle Wilson Reagan
 Married: Nancy Davis March 4, 1952
 Children: Maureen, Michael, Ronald Jr., and Patricia
 (Patty)
 Education: High School: Dixon Northside;
 College: Eureka College
 Military Service: U.S. Army
 Career: 1947-1960 President Screen Actors Guild
 1966-1974 Governor of California
 Hobbies: Riding and Ranching



GERALD RUDOLPH FORD

President of the
United States 1974-1976

Sample Biography Abbreviated

Born: July 14, 1913 in Omaha, Nebraska
 Parents: Leslie and Dorothy Gardner King, adopted father
 Gerald Ford Sr.
 Married: Elizabeth Bloomer on October 15, 1948
 Children: Michael, John, Steven, and Susan
 Education: High School, South High, College, University
 of Michigan B.A. 1935, Yale University LLB 1941
 Military: U.S. Navy in WW II
 Career: 1965-1974 Republican Leader U.S. House of
 Representatives
 1974 Vice President of the United States
 Hobbies: Skiing and golf



RICHARD MILHOUS NIXON

President of the
United States 1968-1974

Sample Biography Abbreviated

Born: January 9, 1913 in Yorba Linda, California
 Parents: Francis and Hannah Milhous Nixon
 Married: Thelma Catherine Ryan on June 21, 1940
 Children: Patricia and Julie
 Education: High School, Whittier High, College, Whittier
 College 1934, Duke University LLB 1937
 Military: U.S. Navy in WW II
 Career: 1950-1952 United States Senate
 1953-1961 Vice President of the United States
 Hobbies: Golf and reading



REPUBLICAN PRESIDENTIAL TASK FORCE
425 SECOND STREET, N.E. • WASHINGTON, D.C. 20002
1-800-877-6772

THE
RIGGS
NATIONAL BANK
OF WASHINGTON, D.C.

046353

15-3
540

August 16 19 90

VOID AFTER NINETY DAYS

PAY TWENTY-FIVE DOLLARS AND 00/100

Dollars \$ 25.00
(VOID IF OVER \$50.00)

TO:

Mr. Roy Afflerbach
1222 Lehigh St.
Allentown, PA 18103

110128095715260250027

FOR OFFICIAL USE ONLY

James L. Hagen

05025930 ⑈0755356⑈ ⑆054000030⑆ 12⑈08692849⑈

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CHECK MUST BE ENDORSED BEFORE DEPOSITED

In accordance with the terms and conditions stated below I authorize my bank to charge my account each month in an amount equal to one-half of the face amount of this check and to transfer such amount to the Republican Presidential Task Force.

- TO PROCESS THIS CHECK THE FOLLOWING INFORMATION IS NEEDED

<input checked="" type="checkbox"/> ENDORSE CHECK HERE	SIGNATURE	DATE
<hr/>		
FOR DEPOSIT ONLY <input checked="" type="checkbox"/>		
THIS BANK ACCOUNT NUMBER		
<hr/>		

PLEASE COMPLETE THE SIGNATURE, DATE AND BANK ACCOUNT NUMBER SPACES ABOVE.

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AGREEMENT

THE REPUBLICAN PRESIDENTIAL TASK FORCE HAS ADVANCED ME MONEY TO TRY CANDIDATE ESCROW FUNDING "FREE" FOR TWO MONTHS. I UNDERSTAND THAT I MAY CANCEL THE AUTHORIZATION TO CHARGE MY ACCOUNT AT ANY TIME AFTER THE INITIAL TWO MONTHS BY SIMPLY CALLING THE TASK FORCE AT 1-800-377-4772 OR BY GIVING MY BANK NOTICE OF TERMINATION OF THIS AUTHORIZATION PURSUANT TO THE REQUIREMENTS OF THE ELECTRONIC FUND TRANSFER ACT.

A RECORD OF EACH DEBIT WILL BE INCLUDED IN MY MONTHLY BANK SUMMARY AND THAT RECORD WILL SERVE AS MY RECEIPT. I MAY CONTACT THE REPUBLICAN PRESIDENTIAL TASK FORCE REGARDING ANY DISPUTE AND THE TASK FORCE UNCONDITIONALLY GUARANTEES THAT ALL REFUND REQUESTS WILL BE IMMEDIATELY HONORED.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 24, 1990

The Honorable Roy C. Afflerbach
The Senate of Pennsylvania
Room 543 MC
Harrisburg, PA 17120

RE: MUR 3123

Dear Senator Afflerbach:

This letter acknowledges receipt on September 18, 1990, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by the Republican Presidential Task Force, and the National Republican Senatorial Committee, James L. Hagen, 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 3123. 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

Lois G. Lerner TB

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Procedures

cc: The Honorable Babette Josephs

21040323842



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 24, 1990

James L. Hagen, Treasurer
National Republican Senatorial Committee
425 Second Street, N.E.
Washington, D.C. 20002

RE: MUR 3123

Dear Mr. Hagen:

The Federal Election Commission received a complaint which alleges that the National Republican Senatorial Committee 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 3123. 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 5 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 Jeff Long, the staff member assigned to this matter at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

Lois G. Lerner ^{js}

BY: Lois G. Lerner
Associate General Counsel

Enclosures

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

21040323344

06C 8154

WILEY, REIN & FIELDING

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

JAN WITOLD BARAN
(202) 429-7330

October 9, 1990

FACSIMILE
(202) 429-7049
TELEX 248349 WYR R

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

90 OCT 12 AM 3:27

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

ATTN: Jeffrey D. Long

Re: MUR 3123 (National Republican Senatorial Committee,
"Republican Presidential Task Force" and "Candidate
Escrow Funding")

Dear Mr. Noble:

I am submitting this response on behalf of the National Republican Senatorial Committee ("NRSC") in reply to a complaint filed by Sen. Roy C. Afflerbach and Rep. Babette Josephs and designated Matter Under Review ("MUR") 3123. An executed Designation of Counsel form is enclosed. The complaint does not specifically allege any violations of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §§ 431-455 ("Act"), with respect to a direct mail funds solicitation sent by the "Republican Presidential Task Force," a fundraising designation of the NRSC. Furthermore, the Federal Election Commission ("FEC" or "Commission") has already addressed issues pertaining to this activity in MUR 3051, in which the Commission voted to find no reason to

91040323845

Lawrence M. Noble, Esq.
October 9, 1990
Page 2

believe the Respondent violated 2 U.S.C. §§ 441a and 441f. For the reasons set forth herein, the FEC should find no reason to believe that the NRSC has violated any provision of the Act.

In their Complaint, two state legislators from Pennsylvania "request that [the FEC Office of the General Counsel] conduct an investigation of the following political campaign fundraising scheme to determine if it complies with federal statutes regulating political campaigns and elections." They offer no examples of alleged statutory violations, solely providing their own abbreviated summary of the NRSC fundraising programs known as "Republican Presidential Task Force" and "Candidate Escrow Funding."

The questions raised by Complainant do not appear to address any new election law issues for the Commission to review. Should the General Counsel's Office disagree with respondent that these issues have already been adjudicated by the Commission in MUR 3051, respondent would greatly appreciate the opportunity to address any issues which the General Counsel's Office believes to be raised for the first time in MUR 3123. Respondent would be grateful for the opportunity to address such matters prior to the recommendation regarding reason to believe by the Office of General Counsel to the Commission in MUR 3123.

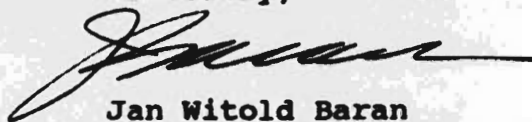
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Lawrence M. Noble, Esq.
October 9, 1990
Page 3

Conclusion

In the absence of any specific allegations, and in light of the Commission's prior decision in MUR 3051, the Commission should find no reason to believe that the National Republican Senatorial Committee has violated the Federal Election Campaign Act.

Sincerely,



Jan Witold Baran
Counsel for National Republican
Senatorial Committee, and
James L. Hagen, as treasurer.

cc: James L. Hagen
William B. Canfield, III, Esq.

9104033847

STATEMENT OF DESIGNATION OF COUNSEL

MUR MUR 3123

NAME OF COUNSEL: Jan Baran, Esq.

ADDRESS: Wiley, Rein & Fielding

1776 K Street, NW

Washington, D.C. 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.

9-27-90
Date

James L. Hagen
Signature

RESPONDENT'S NAME: James Hagen

ADDRESS: National REpublican Senatorial Committee

425 Second Street, NE

Washington, D.C. 20002

HOME PHONE: (703) 845-1028

BUSINESS PHONE: (202) 675-4291

21040323348

90 OCT 19 AM 10:05

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

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

MUR 3123
DATE COMPLAINT RECEIVED
BY OGC: September 18, 1990
DATE OF NOTIFICATION TO
RESPONDENTS: September 24, 1990
STAFF MEMBER: George F. Rishel

COMPLAINANT: Roy C. Afflerbach
Pennsylvania State Senator

RESPONDENTS: National Republican Senatorial
Committee and James L. Hagen, as
treasurer

RELEVANT STATUTES: 2 U.S.C. § 434(b)
2 U.S.C. § 441a
2 U.S.C. § 441d
2 U.S.C. § 441f

INTERNAL REPORTS CHECKED: None

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

This matter was generated by a complaint filed on September 18, 1990, by Roy C. Afflerbach, a Pennsylvania State Senator. A response was filed by counsel for the National Republican Senatorial Committee ("NRSC") and James L. Hagen, as treasurer ("the Respondents"), on October 12, 1990.

II. FACTUAL AND LEGAL ANALYSIS

The complaint raises questions concerning the legality of a solicitation by the NRSC under the name of the Republican Presidential Task Force that included a \$25 check the recipient could deposit in his or her account in order to initiate a monthly electronic transfer of \$12.50 from the recipient to the

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NRSC.

As we noted in the First General Counsel's Report, dated October 10, 1990, in MUR 3118, this Office has received a number of improper complaints regarding this solicitation. As counsel for the Respondents points out, the issues raised in the complaint have already been addressed in MUR 3051, now MUR 3098.

On October 15, 1990, the Commission approved our recommendation in MUR 3118 to take no action at this time in that matter pending resolution of MUR 3098. We make a similar recommendation here. As noted in our report in MUR 3118, once MUR 3098 is resolved and closed, this Office will prepare a single report relating to all the other pending matters regarding this solicitation.

III. RECOMMENDATIONS

Take no action at this time pending resolution of MUR 3098.

Lawrence M. Noble
General Counsel

Date

10/18/90

BY:


Lois G. Lerner
Associate General Counsel

Attachments

1. Complaint
2. Response

31040323350

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 3123
National Republican Senatorial)
Committee and James L. Hagen,)
as treasurer.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 23, 1990, the Commission decided by a vote of 6-0 to take no action at this time pending resolution of MUR 3098, as recommended in the General Counsel's Report dated October 18, 1990.

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

Attest:

10-23-90

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Friday, Oct. 19, 1990 10:05 a.m.
Circulated to the Commission: Friday, Oct. 19, 1990 12:00 p.m.
Deadline for vote: Tuesday, Oct. 23, 1990 4:00 p.m.

dh

SIJN-9 11:44

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of

National Republican
Senatorial Committee and
James L. Hagen,
as treasurer

)
)
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)
)

MUR 3118 and MUR 3123

GENERAL COUNSEL'S REPORT

I. BACKGROUND

MUR 3118 was generated with a complaint filed by Morgan P. Kelly on August 27, 1990. A response was filed by counsel for the National Republican Senatorial Committee and James L. Hagen, as treasurer, ("Respondents" or "NRSC") on September 19, 1990.

MUR 3123 was generated with a complaint filed by Roy C. Afflerbach and Babette Josephs on September 18, 1990. A response was filed by counsel for the Respondents on October 9, 1990.

On October 15, 1990, the Commission voted to take no action in MUR 3118 pending the resolution of MUR 3098. On October 23, 1990, the Commission voted to take no action in MUR 3123 pending the resolution of MUR 3098.

II. ANALYSIS

MUR 3118 and MUR 3123 both concern the same solicitation by the National Republican Senatorial Committee. This solicitation was also the issue in MUR 3098. The solicitation was operated by the Republican Presidential Task Force, a fundraising program of the NRSC. The program involved sending \$25 checks payable to the recipient. By endorsing and depositing the check, the recipient

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authorized the NRSC to make automatic electronic withdrawals of \$12.50 per month from the recipient's bank account. The NRSC reported the funds it received through this program as contributions.

Because this solicitation was already being investigated in MUR 3098, the General Counsel recommended in its reports on MUR 3118 and MUR 3123 that the Commission take no action in any subsequent matters relating to this solicitation. The Commission voted to take no action in MUR 3118 pending the resolution of MUR 3098 on October 15, 1990; and voted to take no action in MUR 3123 pending the resolution of MUR 3098 on October 23, 1990.

In MUR 3098, the Commission found reason to believe that the Respondents had violated 2 U.S.C. § 434(b) by failing to report the initial \$25 the NRSC received back from each recipient as an offset to operating expenditures. The Commission also found no reason to believe that the Respondents violated 2 U.S.C. § 441a or § 441f. The Respondents, in light of these findings, amended their April and July 1990 Quarterly Reports, and informed the Commission that such amounts would be reported as offsets in the future. On November 28, 1990, the Respondents requested that the Commission take no further action in this matter. The Commission voted on December 18, 1990, to take no further action against the Respondents and close the file in MUR 3098.

In view of the Commission's decisions in MUR 3098, the General Counsel now recommends that the Commission find reason to believe that the Respondents violated 2 U.S.C. § 434(b) and take no further action in MUR 3118 and MUR 3123 and close each of

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these files. The Section 434(b) violation is the same in these cases as the one found in MUR 3098. The Respondents have since amended their April and July 1990 Quarterly Reports to reflect the Commission's finding in MUR 3098. The Respondents have also informed the Commission that such amounts will be reported as offsets to operating expenditures in the future. Because the issues in MUR 3118 and MUR 3123 are the same issues which were resolved in MUR 3098, it is now appropriate for the Commission to take similar action in these matters.

III. RECOMMENDATIONS

1. Find reason to believe that the National Republican Senatorial Committee and James L. Hagen, as treasurer, violated 2 U.S.C. § 434(b) in MUR 3118.
2. Take no further action in MUR 3118.
3. Close the file in MUR 3118.
4. Find reason to believe that the National Republican Senatorial Committee and James L. Hagen, as treasurer, violated 2 U.S.C. § 434(b) in MUR 3123.
5. Take no further action in MUR 3123.
6. Close the file in MUR 3123.
7. Approve the appropriate letters.

Date

4/9/81

Lawrence M. Noble
General Counsel

Staff assigned: John Canfield

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
National Republican Senatorial) MUR 3118 and MUR 3123
Committee and James L. Hagen,)
as treasurer.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on January 14, 1991, the Commission decided by a vote of 6-0 to take the following actions in MUR 3118 and MUR 3123:

1. Find reason to believe that the National Republican Senatorial Committee and James L. Hagen, as treasurer, violated 2 U.S.C. § 434(b) in MUR 3118.
2. Take no further action in MUR 3118.
3. Close the file in MUR 3118.
4. Find reason to believe that the National Republican Senatorial Committee and James L. Hagen, as treasurer, violated 2 U.S.C. § 434(b) in MUR 3123.
5. Take no further action in MUR 3123.
6. Close the file in MUR 3123.

(Continued)

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Federal Election Commission
Certification for MUR 3118 and MUR 3123
January 14, 1991

Page 2

7. Approve the appropriate letters, as recommended in the General Counsel's Report dated January 9, 1991.

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

Attest:

Jan 14, 1991
Date

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

Received in the Secretariat:	Wed., Jan. 9, 1991	4:46 p.m.
Circulated to the Commission:	Thurs., Jan. 10, 1991	11:00 a.m.
Deadline for vote:	Mon., Jan. 14, 1991	11:00 a.m.

dr

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 22, 1991

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

RE: MUR 3123
National Republican Senatorial
Committee and James L. Hagen,
as treasurer

Dear Mr. Baran:

On January 14, 1991, the Federal Election Commission found reason to believe that the National Republican Senatorial Committee and James L. Hagen, as treasurer, violated 2 U.S.C. § 434(b), a provision 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 in this matter. A copy of the General Counsel's Report is attached for your information.

The Commission reminds you that reporting the initial \$25 received from the solicitation in question as a contribution rather than as an offset to operating expenditures appears to be a violation of 2 U.S.C. § 434(b). Your client 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.

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

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Report

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 22, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

The Honorable Roy C. Afflerbach
Pennsylvania State Senator
Room 543 MC
Harrisburg, PA 17120

RE: MUR 3123
National Republican Senatorial
Committee and James L. Hagen,
as treasurer

Dear Senator Afflerbach:

This is in reference to the complaint you filed with the Federal Election Commission on September 18, 1990, concerning solicitations by the National Republican Senatorial Committee involving the use of \$25 checks.

Based on that complaint, on January 14, 1991, the Commission found that there was reason to believe the National Republican Senatorial Committee and James L. Hagen, as treasurer, violated 2 U.S.C. § 434(b), a provision 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 National Republican Senatorial Committee and James L. Hagen, as treasurer, and closed the file in this matter on January 14, 1991. Enclosed are copies of three General Counsel's Reports and a Statement of Reasons which reflect the Commission's findings in this and another related 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).

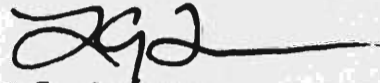
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MUR 3123
Page Two

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

Sincerely,

Lawrence M. Noble
General Counsel



BY: Lois G. Lerner
Associate General Counsel

Enclosures
General Counsel's Reports (3)
Statement of Reasons

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CLOSED

January 22, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

The Honorable Babette Josephs
Pennsylvania State Representative
Room 111-B, East Wing
Harrisburg, PA 17120

RE: MUR 3123
National Republican Senatorial
Committee and James L. Hagen,
as treasurer

Dear Representative Josephs:

This is in reference to the complaint you filed with the Federal Election Commission on September 18, 1990, concerning solicitations by the National Republican Senatorial Committee involving the use of \$25 checks.

Based on that complaint, on January 14, 1991, the Commission found that there was reason to believe the National Republican Senatorial Committee and James L. Hagen, as treasurer, violated 2 U.S.C. § 434(b), a provision 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 National Republican Senatorial Committee and James L. Hagen, as treasurer, and closed the file in this matter on January 14, 1991. Enclosed are copies of three General Counsel's Reports and a Statement of Reasons which reflect the Commission's findings in this and another related 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).


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MUR 3123
Page Two

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

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

Enclosures
General Counsel's Reports (3)
Statement of Reasons

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2123

DATE FILMED 2/7/91 CAMERA NO. 4

CAMERAMAN AS

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