



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3421

DATE FILMED 8/12/92 CAMERA NO. 4

CAMERAMAN E.E.S.

92040921752

Congress of the United States

House of Representatives  
Washington, D.C. 20515

REC-2776  
RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIN COPY ROOM

91 SEP 13 AM 10:50

September 9, 1991

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

MUR 3421

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
91 SEP 13 PM 3:50

Dear General Counsel:

Pursuant to 2 U.S.C. § 437g(a)(1) and 11 C.F.R. 111.4, I hereby request that you open a Matter Under Review and investigate whether the NRSC has, or is planning to, violate 2 U.S.C. § 441a (d) and 11 C.F.R. § 110.7(b) by making illegal "coordinated expenditures" in the primary campaign of John Seymour against my primary candidacy for the Republican nomination for the U.S. Senate seat currently being filled by John Seymour. I look forward to your speedy handling of this matter.

Sincerely,

*Bill Dannemeyer*  
WILLIAM E. DANNEMEYER  
Member of Congress

92040921753

# Congress of the United States

House of Representatives

Washington, D.C. 20515

## DECLARATION OF THE HONORABLE WILLIAM E. DANNEMEYER

I, William E. Dannemeyer, of P.O. Box 1400 Fullerton, California 92632-1400 declare under penalty of perjury as follows:

1. I am a member of the United States House of Representatives, representing the 39th Congressional District in the State of California.

2. I am a candidate for the Republican nomination for the unserved United States Senate seat vacated by Pete Wilson. This seat is currently occupied by the appointed John Seymour, which appointment will be subject to confirmation by the voters of the State of California in the 1992 elections.

3. On or about March 1, 1991, in the Washington D.C. office of Republican Senator Phil Gramm ("GRAMM"), Chairman of the National Republican Senatorial Committee ("NRSC"), GRAMM told me that he intended to have the NRSC contribute \$2 million dollars to the candidacy of John Seymour in the primary of 1992 and therefore I should run for the other California Senate seat; i.e. the seat being vacated by Alan Cranston.

4. On or about June 13, 1991, I mailed a letter to GRAMM; a copy of which is attached hereto as Exhibit "A".

5. Approximately seven to ten days after I mailed the letter described in paragraph 4 above, GRAMM called me on the telephone and told me that no decision had yet been made on whether NRSC funds would be used to assist John Seymour in the primary of 1992, and that I should stop making trouble for GRAMM by having people contact him about the issue in order that GRAMM will perhaps deign to resolve that NRSC funds will not be used in the primary to assist John Seymour.

6. 2 U.S.C. § 441a(d) and 11 C.F.R. 110.7(b) allow national party coordinated expenditures only in connection with their candidate's general election, not their primary elections.

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7. I am informed and believe that Exhibit "B" is a copy of page one of an NRSC publication, For the Record, Vol V: Issue I; and that the final paragraph misleads NRSC contributors by indicating that I am not a candidate for the Wilson vacated seat; i.e. that I am not opposing John Seymour in the primary.

8. Based upon the threats of GRAMM, I am informed and believe that the NRSC may have begun, or may be planning to begin, to illegally spend the alleged \$2 million dollars in NRSC funds in the primary campaign to help the primary candidacy of John Seymour and to oppose my primary candidacy.

9. Based upon the information set forth above, pursuant to 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4, I request that the Federal Election Commission initiate an investigation to determine if the NRSC has violated, or is about to violate, 2 U.S.C. § 441a(d) and 11 C.F.R. § 110.7(b) by making illegal "coordinated expenditures" in the primary campaign of John Seymour.

10. Except as specifically noted otherwise, I have personal knowledge of the information set forth in this declaration.

Dated: Sept 10, 1991

William E. Dannemeyer  
WILLIAM E. DANNEMEYER  
Member of Congress

DECLARATION OF HONORABLE WM DANNEMEYER

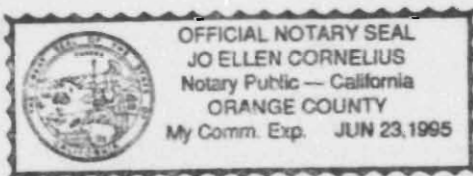
State of CALIFORNIA  
County of ORANGE } ss.

On this the 10 day of September 19 91, before me,

Jo Ellen Cornelius  
Notary's Name (typed or printed)  
the undersigned Notary Public, personally appeared

William Dannemeyer

☐ personally known to me  
☒ proved to me on the basis of satisfactory evidence  
to be the person(s) whose name(s) is subscribed to the  
within instrument, and acknowledged that he executed it.  
WITNESS my hand and official seal.



(This area for official notarial seal)

Jo Ellen Cornelius  
Notary's Signature



# DANNEMEYER

## U.S. SENATE '92

June 13, 1991

The Honorable Phil Gramm  
National Republican Sen. Committee -  
425 Second Street, N.E.  
Washington, DC 20002

Dear Phil:

As you know I am not at all happy that the NRSC is unnecessarily intervening in the California Senatorial primary to assist a man dedicated to moving the Republican Party far from its historically conservative principles.

And yes, I am concerned, along with the California conservative leadership, that a Seymour victory may cause hundreds of thousands of conservatives to drop out of the California GOP. But that is not why I write you now.

I am writing you now as a dues-paying Republican concerned about the financial propriety of raising funds with the stated intention it will be used to defeat Dianne Feinstein, when in fact, it may be used in the primary against my candidacy.

I believe I deserve some answers:

1. Are funds raised at events involving pitches that refer only to defeating Feinstein being placed on hold by the NRSC for the General Election? Or are or will some of these funds be transferred to Senator Seymour in the primary?
2. I would like to apply the above question to any direct mail, phonebank, or other fundraising tactics used by the NRSC.
3. If you are indeed planning to transfer funds to Seymour in the primary, I would like to know an estimation of the amount, and on what pretext will these funds be raised.

You should be aware Phil, that to raise funds from Republicans under one pretext but use them for another is not only unethical, but raises the possibility that the NRSC is in violation of solicitation and postal service statutes, not to mention Federal Election laws.

I anxiously await your reply.

Sincerely,

Congressman Bill Dannemeyer

WED:eh

Exhibit A

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# FOR THE RECORD

Volume V: Issue I

An exclusive publication of the National Republican Senatorial Committee

## INSIDER'S UPDATE

### FEC SPENDING LIMITS FOR '91-'92: THE BIGGEST JOB IN NRSC HISTORY

The task of raising the largest amount of money in its history is for the NRSC, but the reward is the chance to chart the course of the United States into the next century.

With 35 Senate races, including the super-races in California, projected the NRSC will need to raise at least \$18 million.

Still, with the potential of a Republican Senate Majority serving incentive, NRSC Chairman Phil Gramm is loading for bear.

"This is truly a pivotal moment for the NRSC," Gramm said. "Certainly \$18 million is a tremendous amount of money. But it is weighed against the reward — the ability to gain a Senate Majority with that to shape our nation's future into the next century — I say join the battle and take the people's mandate to our opponents."

The large number of races and the fact that a number of these are in highly populated states has lifted the Federal Elections Commission ceiling to an estimated \$18 million — nearly doubling the amount allowed for the 1990 campaign.

That is the maximum amount the NRSC will be allowed to distribute across the 35 races.

Two races will be fought in California with the retirement of Democrat Alan Cranston and the special election to retain Republican Senator John Seymour's appointed term.

In addition, eight currently Democratic seats are more than a

*(Continued on*

### THE 1992 CALIFORNIA SENATE RACES

In an unusual twist of political fate, California will play host to not only two Senate races in 1992. The first will be a special election (through 1994) Republican Senator John Seymour's appointed term. The other race will be for the Senate seat held by retiring Democrat Alan Cranston.

Doubling the 1992 stakes in California are the 54 Presidential electoral votes that the state represents. That equals fully 20% of the 270 electoral-vote total that President Bush needs to win re-election.

Democrats vying for these two seats include former San Francisco Mayor Dianne Feinstein, former Governor Jerry Brown, Representative Barbara Boxer, Robert Matsui, and Mel Levine, Lt. Governor William McCarthy, and Controller Gray Davis.

Republicans on the list of contenders for the Cranston seat include Congressmen David Dreier, Bob Dornan, Bill Dannemeyer, Campbell, and Los Angeles T.V. commentator Bruce Herschen.



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 18, 1991

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

RE: MUR 3421

Dear Mr. Hagen:

The Federal Election Commission received a complaint which alleges that the National Republican Senatorial Committee ("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 3421. 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 Committee and you, as treasurer, 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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James L. Hagen, Treasurer  
National Republican Senatorial Committee  
Page 2

If you have any questions, please contact Craig Reffner, the attorney assigned to this matter, at (202) 219-3400. 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*

BY:

Lois G. Lerner  
Associate General Counsel

Enclosures

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

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 18, 1991

Honorable William E. Dannemeyer  
United States House of Representatives  
Washington, D.C. 20515

RE: MUR 3421

Dear Mr. Dannemeyer:

This letter acknowledges receipt on September 13, 1991, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by the National Republican Senatorial Committee and 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 3421. 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) 219-3410.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

*Lois G. Lerner*  
Lois G. Lerner  
Associate General Counsel

Enclosure  
Procedures

92040921760

WILEY, REIN & FIELDING

1775 K STREET, N.W.  
WASHINGTON, D. C. 20006  
(202) 429-7000

JAN WITOLD BARAN  
(202) 429-7330

October 7, 1991

FACSIMILE  
(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

Attn: Craig Reffner, Esq.

Re: MUR 3421 (National Republican Senatorial  
Committee and James L. Hagen, as Treasurer)

Dear Mr. Noble:

This Response, along with the attached Affidavit, is submitted on behalf of the National Republican Senatorial Committee ("NRSC") and James L. Hagen, as Treasurer in response to a complaint filed by Congressman William E. Dannemeyer and designated Matter Under Review ("MUR") 3421. Please find enclosed the Respondents' Designation of Counsel form authorizing this Office to represent them in MUR 3421. For the reasons set forth below, the Federal Election Commission should find no reason to believe that the NRSC has violated the Federal Election Campaign Act of 1971, as amended ("Act").

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
51 OCT -7 PM 4:05

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Lawrence M. Noble, Esq.  
October 7, 1991  
Page 2

By letter dated September 9, 1991, Congressman Dannemeyer requested that the Federal Election Commission "investigate whether the NRSC has, or is planning to, violate 2 U.S.C. § 441a(d) and 11 C.F.R. § 110.7(b) by making illegal 'coordinated expenditures' in the primary campaign of John Seymour." Congressman Dannemeyer's complaint enclosed Congressman Dannemeyer's personal declaration in which he speculated that the NRSC "may have begun, or may be planning to begin, to illegally spend the alleged \$2 million dollars in NRSC funds in the primary campaign to help the primary candidacy of John Seymour and to oppose my primary candidacy."

In fact, the NRSC has made no coordinated expenditures on behalf of Senator John Seymour to date and, consistent with the NRSC's current policy of making no coordinated expenditures in connection with primary elections, the NRSC does not intend to make any coordinated expenditures on behalf of any candidate in California prior to the date of the Republican primary. See Affidavit of James L. Hagen at 11 4-5, attached hereto.

Because no coordinated expenditures have been made or are planned, and because the NRSC's current policy is not to

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Lawrence M. Noble, Esq.  
October 7, 1991  
Page 3

make pre-primary coordinated expenditures, Congressman Dannemeyer's allegations are inaccurate.<sup>1</sup> Accordingly, the Federal Election Commission should find no reason to believe that the NRSC has violated or intends to violate the Federal Election Campaign Act of 1971, as amended.

Sincerely,

*Jan Baran /ch*

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

---

<sup>1</sup> The Commission has historically accepted pre-primary coordinated expenditures as valid under the Act. See e.g.: MUR 2270 (the Commission determined that activity in the year before the primary election constituted a coordinated expenditure); MUR 2186 (the Commission found that radio broadcasts paid for and aired four months before the primary election constituted coordinated expenditures under 2 U.S.C. § 441a(d)). Therefore, although the NRSC's policy is not to make pre-primary coordinated expenditures, the NRSC would be permitted under 2 U.S.C. § 441a(d) to do so.

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BEFORE THE FEDERAL ELECTION COMMISSION

City of Washington                    )  
  )  
District of Columbia                 )                   MUR 3421

AFFIDAVIT OF JAMES L. HAGEN

JAMES L. HAGEN, first being duly sworn, deposes and  
says:

1. I am James L. Hagen. I serve as Treasurer of the  
National Republican Senatorial Committee (NRSC), an  
authorized national committee of the National Republican  
Party.

2. In my capacity as Treasurer of the NRSC, I have  
primary responsibility for maintaining the records of  
contributions to and expenditures of the NRSC. I also have  
responsibility for filing regular reports with the Federal  
Election Commission of contributions to and expenditures of  
the NRSC. I am familiar with coordinated expenditures made  
by the NRSC and planned by the NRSC in the future.

3. I have reviewed the Complaint filed with the  
Federal Election Commission by Congressman William Dannemeyer  
and designated Matter Under Review 3421. I am competent to  
address the allegations made by Congressman Dannemeyer.

4. I have reviewed the NRSC's financial records.  
Those records indicate that the NRSC has made no coordinated  
expenditures on behalf of Senator John Seymour.

5. Furthermore, the NRSC's current policy is not to  
make coordinated expenditures prior to the date of a primary

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election. Consistent with that policy, the NRSC does not plan to make any coordinated expenditures on behalf of Senator John Seymour prior to the date of the California Republican primary.

The above information is true and correct to the best of my knowledge and belief.

James L. Hagen  
James L. Hagen

7<sup>th</sup> Sworn and subscribed to by the said James L. Hagen this day of October 1991.

Lisa C. Gula  
Notary Public

My Commission Expires:

July 14, 1992



92040921765



STATEMENT OF DESIGNATION OF COUNSEL

MUR 3421

NAME OF COUNSEL: Jan Witold Baran, Esq.

ADDRESS: Wiley, Rein & Fielding

1776 K Street, N.W.

Washington, D.C. 20006

TELEPHONE: (202) 429-7000

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.

9/23/91  
Date

James L. Hagen  
Signature

RESPONDENT'S NAME: Natl. Republican Senatorial Cmte.  
and James L. Hagen as Treasurer

ADDRESS: 425 - 2nd St., N.E.

Washington, D.C. 20002

HOME PHONE: \_\_\_\_\_

BUSINESS PHONE: (202) 675-6000

92040921766



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

March 18, 1992

F. Laurence Scott, Jr., Treasurer  
U. S. Senator John Seymour Committee  
150 Paularino Avenue, Suite 275  
Costa Mesa, California 92626

RE: MUR 3421

Dear Mr. Scott:

The Federal Election Commission received a complaint which alleges that the U. S. Senator John Seymour Committee ("Committee") and you, as treasurer, may have violated sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3421. Please refer to this number in all future correspondence.

The complaint was not sent to you earlier due to administrative oversight. 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 Office of the General Counsel, 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.

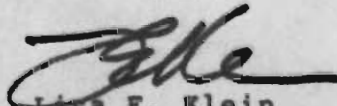
If you have any questions, please contact Craig Reffner, the attorney assigned to this matter, at (202) 219-3690. For

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F. Laurence Scott, Jr., Treasurer  
U. S. Senator John Seymour Committee  
Page 2

your information, we have enclosed a brief description of the  
Commission's procedures for handling complaints.

Sincerely,



Lisa E. Klein  
Assistant General Counsel

Enclosures

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

cc: The Honorable John F. Seymour  
United States Senate

92040921768





I, F. LAURENCE SCOTT, residing at 362 Vista Del Rey, Encinitas, California, declare and make the following statements under penalty of perjury.

1. I am a certified public accountant and a member of the firm of Hawkins & Scott, Certified Public Accountants, Inc. My business office is located at 12780 High Bluff Drive, Suite 270, San Diego, California.

2. I personally serve as the Treasurer of the U.S. Senator John Seymour Committee (COMMITTEE hereinafter) the principal campaign committee of John F. Seymour, Jr., California candidate for the U.S. Senate in the June 1992 primary and the November 1992 general election.

3. I have served as the Treasurer for the COMMITTEE since May 22, 1991 without interruption.

4. My duties and responsibilities include the maintenance and keeping of all of the financial books and records of the COMMITTEE, preparation and filing of all FEC reports, recordation of contributions, issuance of checks and other matters pertaining to the fiscal affairs of the COMMITTEE.

5. My duties as Treasurer include the receipt and recordation of any information pertaining to monetary contributions to the COMMITTEE of any kind, and, specifically would include the receipt of coordinated funds from NRSC or any other source.

6. Neither the COMMITTEE nor I have received or been promised, directly or indirectly, personally or thru another person or entity, coordinated funds for the benefit of the COMMITTEE in the June 1992 primary election.

7. I have read the Declaration of Congressman William E. Dannemeyer dated September 10, 1991 in connection with the commission's file number MUR 3421 and categorically deny any knowledge or participation in any of the events described in the said declaration.

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8. I have personal knowledge of all matters set forth in this declaration except those noted to the contrary.

Dated: 3/30/92

F. Laurence Scott, Jr.

STATE OF CALIFORNIA  
COUNTY OF San Diego

}  
}ss.  
}

On March 30, 1992 before me, Geraldine Yee

personally appeared F. Laurence Scott, Jr.

\_\_\_\_\_ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Geraldine Yee



(This area for official notarial seal)

20 304 (1/10) - General First American Title Co. dany

HS

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3421

NAME OF COUNSEL: Floyd Farano

ADDRESS: U.S. Senator John Seymour Committee

150 Paularino Ave., #275

Costa Mesa, CA 92626

TELEPHONE: (714)434-1992

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.

3/26/92  
Date

[Signature]  
Signature

RESPONDENT'S NAME: F. Laurence Scott, Jr.

ADDRESS: Hawkins & Scott

12780 High Bluff Drive, #270

San Diego, CA 92130-2016

HOME PHONE: \_\_\_\_\_

BUSINESS PHONE: (619)481-7775

92040921771





JOHN SEYMOUR  
UNITED STATES SENATOR

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

92 APR -2 PM 3:23

OGC 4575

March 31, 1992

Office of the General Counsel  
Federal Election Commission  
Washington, D.C. 20463  
Attention: Lisa E. Klein, Assistant General Counsel

Re: MUR 3421

Dear Ms. Klein:

This letter is filed on behalf of the U.S. Senator John Seymour Committee and F. Laurence Scott, Jr., as treasurer, respondents herein, as their response to a letter from you dated March 18, 1992. Your letter, which was received on March 19, 1992, extended the opportunity to the respondents to demonstrate that no action should be taken in connection with an alleged "complaint" filed with the "Commission" on September 13, 1991.

The alleged "complaint" consists of the request of Congressman William E. Dannemeyer that the Commission's General Counsel initiate an investigation into certain suspected conduct on the part of the respondents and NRSC. The request was filed with the Commission by Congressman Dannemeyer on or about September 13, 1991, and includes his Declaration, stating that on "information and belief" the "NRSC may have begun, or may be planning to begin \*\*\*\*\* to illegally spend" NRSC funds in the Seymour primary election campaign.

The respondents unequivocally state that neither of them have, individually, collectively, directly or indirectly, received coordinated funds from NRSC for the primary campaign of Senator John Seymour. Nor have the respondents or any one on their behalf, individually, collectively

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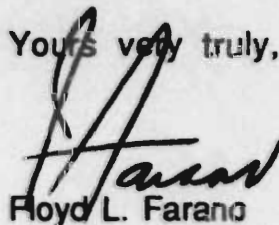
or otherwise, entered into any kind of a direct or indirect arrangement or understanding with NRSC or any third person or entity for the contribution or expenditure of coordinated funds by NRSC to or on behalf of the Seymour primary campaign effort. In support of the foregoing statement, please find the declarations of Richard H. McBride, campaign manager of the respondent committee, and respondent F. Laurence Scott, Jr.

In view of the foregoing, the commission should find no reason to assume or believe that the respondents have violated The Federal Campaign Act of 1971 as amended.

In the interests of permitting the Federal Election Commission the opportunity to address and examine the allegations of the "complaint" and the statements of Congressman Dannemeyer, the respondents have confined their response to the substantive matters contained therein. In the event, however, that the matter of MUR 3421 proceeds beyond this preliminary stage, the respondents wish it to be understood that they do not waive any right that they may have, pursuant to PART 111.11 C.F.R. Sec. 111.1 thru 111.23, to a further procedural or substantive legal attack on the complaint, the commission's letter of notification dated March 18, 1992, or the request for investigation filed with the commission by Congressman William E. Dannemeyer on September 13, 1991.

In the event that you have any questions concerning this matter, please contact Floyd L. Farano at (714) 434-1992.

Yours very truly,



Floyd L. Farano

Legal Counsel for Respondents

92040921773



*Winning for California*

**DECLARATION OF RICHARD H. McBRIDE**

I, RICHARD H. McBRIDE declare and make the following statements under penalty of perjury:

1. My place of business is 150 Paularino Avenue, Suite 275, Costa Mesa, CA, 92626.
2. I am employed as the campaign manager of the U.S. Senator John Seymour Committee (COMMITTEE hereinafter) the principal campaign committee of John F. Seymour, Jr., California candidate for the U.S. Senate in the June 1992 primary and the November 1992 general election. I was employed by the COMMITTEE on July 1, 1991 and have acted in that capacity since that date without interruption.
3. The COMMITTEE has been duly organized and appropriate filings made pursuant to 2 U.S.C. and controlling regulations of the Federal Election Commission.
4. As part of my duties and responsibilities I act as the day to day manager of the campaign and supervise all aspects of the primary and general election campaign efforts of the COMMITTEE. These duties include, but are not limited to, the receipt, deposit, recording, accounting, reporting and expenditure of all contributions of campaign funds including any and all coordinated funds that may be assigned or contributed to the campaign from any source. It is also my responsibility to handle any request or negotiation for the contribution of funds that the COMMITTEE would solicit or request from NRSC.
5. Since my employment, I have examined all of the COMMITTEE'S books and records from the date that the COMMITTEE was organized to the date of this declaration including, but not limited to, contributions, coordinated funds, reports filed with Federal Election Commission, expenditure of funds and all other transactions pertaining to the receipt and expenditure of funds received by the COMMITTEE either directly or indirectly.

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6. Neither the COMMITTEE, nor I, nor any one on the campaign staff, acting on my instruction or with my knowledge or permission, has at any time requested, received, negotiated for or even discussed with the NRSC or anyone on their behalf, directly or indirectly, the receipt or availability of coordinated funds from NRSC for use in the COMMITTEE'S primary senatorial campaign.

7. I have read the Declaration of Congressman Dannemeyer dated September 10, 1991 in connection with the commission's file number MUR 3421 and can categorically deny the knowledge or participation of any member or employee of the COMMITTEE in any of the events described in the said declaration.

8. I have personal knowledge of all matters set forth in this declaration except those noted to the contrary.

DATE

3/31/92

Richard H. McBride

RICHARD H. McBRIDE

Subscribed and sworn to before me this 31st day of March, 1992.

Jeanne Stein  
NOTARY PUBLIC





Winning for California

STATEMENT OF DESIGNATION OF COUNSEL

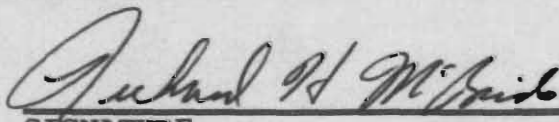
MUR 3421

NAME OF COUNSEL: Floyd Farano  
U.S. Senator John Seymour Committee  
150 Paularino Ave., Suite 275  
Costa Mesa, CA 92626

TELEPHONE : (714) 434-1992

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.

3/31/92  
DATE

  
SIGNATURE

Subscribed and sworn to before me this 31st day of March, 1992.



  
NOTARY PUBLIC

RESPONDENT'S NAME : Richard H. McBride  
ADDRESS : U.S. Senator John Seymour Committee  
150 Paularino Ave., Suite 275  
Costa Mesa, CA 92626  
TELEPHONE : (714) 434-1992

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RECEIVED  
F.E.C.  
SECRETARIAT

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

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FIRST GENERAL COUNSEL'S REPORT

**SENSITIVE**

MUR 3421  
DATE COMPLAINT RECEIVED  
BY OGC 9/13/91  
DATE OF NOTIFICATION TO  
RESPONDENTS 9/18/91 and 3/18/92  
STAFF MEMBER Craig D. Reffner

COMPLAINANT: The Honorable William E. Dannemeyer,  
United States House of Representatives

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

U. S. Senator John Seymour Committee and  
F. Laurence Scott, as treasurer

RELEVANT STATUTES: 2 U.S.C. § 441a(d)(3)  
2 U.S.C. § 441a(h)

INTERNAL REPORTS CHECKED: Disclosure Materials

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

This matter was generated by a complaint from the Honorable William E. Dannemeyer, alleging that the National Republican Senatorial Committee and James L. Hagen, as treasurer (collectively known as the "NRSC"), "has, or is planning to violate 2 U.S.C. § 441a (d) [sic] and 11 C.F.R. § 110.7(b) by making illegal 'coordinated expenditures' in the primary campaign of John Seymour . . . ." Complaint at 1.<sup>1</sup> Responses

1. William Dannemeyer is the Congressional Representative in the United States Congress for California's 39th Congressional District. John Seymour is a United States Senator from California. Mr. Seymour was appointed as the interim replacement to this Senate seat after the Honorable Pete Wilson resigned from the United States Senate in January 1991 to become the governor of California. Messrs. Dannemeyer and Seymour were

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have been received. Attachments A and B.

II. FACTUAL AND LEGAL ANALYSIS

Under the Federal Election Campaign Act of 1971, as amended (the "Act"), the Republican or Democratic Senatorial Campaign Committee, or the national committee of a political party, or any combination of such committees, may, notwithstanding any other provision of the Act, contribute amounts totaling not more than \$17,500 to a candidate for nomination for election, or for election, to the United States Senate during the year in which an election is held in which he or she is a candidate. 2 U.S.C. § 441a(h). The national committee of a political party may also make expenditures in connection with the general election campaign of a candidate for Federal office who is affiliated with such party. 2 U.S.C. § 441a(d)(3). Such expenditures, known as "coordinated party expenditures," may only be made in connection with a candidate's general election campaign and are subject to limitations. 2 U.S.C. § 441a(d)(3)(A)(i)-(ii).

According to the complainant, on or about March 1, 1991, the Honorable William Philip Gramm, the Chairman of the NRSC, stated that he intended to have the NRSC contribute \$2,000,000 to the candidacy of John Seymour in the primary of 1992 and therefore, the complainant "should run for the other California Senate seat; i.e. the seat being vacated by Alan Cranston." The complainant

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(Footnote 1 continued from previous page)  
Republican-party candidates in California's 1992 Special Senatorial election to complete the remaining two years of the Senate seat vacated by the Mr. Wilson. In the June 2, 1992 primary election, Mr. Seymour received 51% of the vote while Mr. Dannemeyer received 27%.

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states that he presented his concerns about the intended use of the NRSC's funds in a letter to Mr. Gramm, dated June 13, 1991, and was told, by Mr. Gramm, in response, "that no decision had yet been made on whether NRSC funds would be used to assist John Seymour in the primary of 1992." The complainant further states that Mr. Gramm told him to "stop making trouble" and he surmised that if he acquiesced Mr. Gramm would have "perhaps deign[ed] to resolve that NRSC funds [would] not be used in the primary to assist John Seymour." Finally, the complainant included an article from For the Record, a publication prepared by the NRSC, which, according to the complainant, misleads contributors by indicating that he is not opposing John Seymour in the 1992 primary election. The article in question provides as follows:

Two races will be fought in California with the retirement of liberal Democrat Alan Cranston and the special election to retain Republican Senator John Seymour's appointed term.

\* \* \* \*

Republicans on the list of contenders for the Cranston seat include Congressman . . . Bill Dannemeyer . . . .

According to NRSC counsel, his clients made "no coordinated expenditures on behalf of Senator John Seymour . . . [and do] not intend to make any coordinated expenditures on behalf of any candidate in California prior to the date of the Republican primary." Attachment A at 2. Counsel included the affidavit of NRSC treasurer James L. Hagen, who states that "the NRSC's current policy is not to make coordinated expenditures prior to the date of a primary election. Consistent with that policy,

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the NRSC does not plan to make any coordinated expenditures on behalf of Senator John Seymour prior to the date of the California Republican primary." Attachment A at 4-5.

Counsel for the Seymour Committee similarly states that his clients have not "individually, collectively, directly or indirectly, received coordinated funds from [the] NRSC for the primary campaign of Senator John Seymour. Nor have [they] . . . otherwise, entered into any kind of a direct or indirect arrangement or understanding with [the] NRSC or any third person or entity for the contribution or expenditure of coordinated funds by [the] NRSC to or on behalf of the Seymour primary campaign effort." Attachment B at 1-2. In support of this assertion, counsel included the affidavits of Richard H. McBride, the campaign manager of the Seymour Committee, and F. Laurence Scott, Jr., the treasurer of the Seymour Committee. Attachment B at 4-5 (McBride) and 6-7 (Scott). In his affidavit, Mr. McBride avers that neither he "nor any one [sic] on the campaign staff . . . has at any time requested, received, negotiated for or even discussed with the NRSC or anyone on their behalf, directly or indirectly, the receipt or availability of coordinated funds from [the] NRSC for use in the COMMITTEE'S primary senatorial campaign." Id. at 4 (emphasis in original). Mr. Scott similarly avers that neither the Seymour Committee "nor I have received or been promised, directly or indirectly, personally or thru another person or entity, coordinated funds [from the NRSC] for the benefit of the COMMITTEE in the June 1992 primary election." Id. at 6

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(emphasis in original).

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Although Respondents do not address the conversations that the complainant purportedly had with Mr. Gramm, they categorically deny that the NRSC made any coordinated party expenditures in connection with Mr. Seymour's primary election campaign and the available information would appear to support their denials. First, disclosure reports show that the NRSC contributed \$17,500 to the Seymour campaign, an amount within the limitations set forth at 2 U.S.C. § 441a(h), but that Respondents made no coordinated party expenditures, or any other payments that might qualify as such, on behalf of Mr. Seymour. Second, other than incorrectly identifying Mr. Dannemeyer as a candidate for the Senate seat currently held by Alan Cranston, the complainant cited no instances when the NRSC made any coordinated party expenditures on behalf of Mr. Seymour. Moreover, there is no indication that the NRSC sought to influence California's 1992 Senatorial elections by identifying Mr. Dannemeyer as a candidate in an election in which he was not actually participating.

In short, it does not appear that the NRSC made any coordinated party expenditures in connection with John Seymour's campaign or contributed an amount to the Seymour Committee beyond that permitted under 2 U.S.C. § 441a(h). Accordingly, this Office recommends that the Commission find no reason to believe the National Republican Senatorial Committee and James L. Hagen, as treasurer, or that U. S. Senator John Seymour Committee and F. Laurence Scott, as treasurer, violated any



provision of the Federal Election Campaign Act of 1971, as amended, based on the complaint filed in MUR 3421.

**III. RECOMMENDATIONS**


1. Find no reason to believe the National Republican Senatorial Committee and James L. Hagen, as treasurer, violated any provision of the Federal Election Campaign Act of 1971, as amended, based on the complaint filed in MUR 3421.
2. Find no reason to believe U. S. Senator John Seymour Committee and F. Laurence Scott, as treasurer, violated any provision of the Federal Election Campaign Act of 1971, as amended, based on the complaint filed in MUR 3421.
3. Approve the appropriate letters.
4. Close the file.

Lawrence M. Noble  
General Counsel

Date

7/2/92

BY:

  
Lois G. Lerner  
Associate General Counsel

**Attachments**

- A. Response of the NRSC
- B. Response of the Seymour Committee

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
National Republican Senatorial ) MUR 3421  
Committee and James L. Hagen, )  
as treasurer; )  
U.S. Senator John Seymour Committee )  
and F. Laurence Scott, as treasurer. )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 9, 1992, the Commission decided by a vote of 4-0 to take the following actions in MUR 3421:

1. Find no reason to believe the National Republican Senatorial Committee and James L. Hagen, as treasurer, violated any provision of the Federal Election Campaign Act of 1971, as amended, based on the complaint filed in MUR 3421.
2. Find no reason to believe U.S. Senator John Seymour Committee and F. Laurence Scott, as treasurer, violated any provision of the Federal Election Campaign Act of 1971, as amended, based on the complaint filed in MUR 3421.

(continued)

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3. Approve the appropriate letters, as recommended in the General Counsel's Report dated July 2, 1992.
4. Close the file.

Commissioners Aikens, Elliott, McDonald, and McGarry voted affirmatively for the decision; Commissioners Potter and Thomas did not cast votes.

Attest:

7-9-92  
Date

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

Received in the Secretariat: Mon., July 6, 1992 12:31 p.m.  
Circulated to the Commission: Mon., July 6, 1992 4:00 p.m.  
Deadline for vote: Thurs., July 9, 1992 4:00 p.m.

bjr

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 14, 1992

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Honorable William E. Dannemeyer  
United States House of Representatives  
Washington, D.C. 20515

RE: MUR 3421  
National Republican Senatorial Committee  
and James L. Hagen, as treasurer

U.S. Senator John Seymour Committee  
and F. Laurence Scott, as treasurer

Dear Mr. Dannemeyer:

On July 9, 1992, the Federal Election Commission reviewed the allegations of your complaint dated September 9, 1991, and found, on the basis of the information provided in your complaint and information provided by the Respondents, that there is no reason to believe the National Republican Senatorial Committee and James L. Hagen, as treasurer and the U.S. Senator John Seymour Committee and F. Laurence Scott, as treasurer, violated any provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, on July 9, 1992, the Commission closed the file in this matter.

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).

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
General Counsel's Report

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 14, 1992

Floyd L. Farano, Esq.  
150 Paularino Avenue  
Suite 275  
Costa Mesa, California 92626

RE: MUR 3421  
U.S. Senator John Seymour Committee  
and F. Laurence Scott, as treasurer

Dear Mr. Farano:

On March 18, 1992, the Federal Election Commission notified your clients, the U.S. Senator John Seymour Committee and F. Laurence Scott, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On July 9, 1992, the Commission found, on the basis of the information in the complaint and information provided by you on behalf of your clients, that there is no reason to believe your clients violated any provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the Commission closed its file in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
General Counsel's Report

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 14, 1992

CLOSED

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

RE: MUR 3421  
National Republican Senatorial Committee  
and James L. Hagen, as treasurer

Dear Mr. Baran:

On September 18, 1991, the Federal Election Commission notified your clients, the National Republican Senatorial Committee and James L. Hagen, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On July 9, 1992, the Commission found, on the basis of the information in the complaint and information provided by you on behalf of your clients, that there is no reason to believe your clients violated any provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the Commission closed its file in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
General Counsel's Report

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3421

DATE FILMED 8-12-92 CAMERA NO. 4

CAMERAMAN SES

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