



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

THIS IS THE BEGINNING OF MUR # 3644

DATE FILMED 10/29/93 CAMERA NO. 2

CAMERAMAN MC

93040991707

LAPRY ELLIS REED
1723 W. Broadway apt.
Winona, MN 55987-2020

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

29 September 1992
06.53 hours

Office of General Counsel
Federal Election Commission
999 E St., NW
Washington, DC 20463

OCT 2 9 07 AM '92

MUR 3644

92 OCT -2 AM 10:46

To whom it may concern:

On the strength of the enclosed photocopy of a letter from The New York Times (31 August 1992, page A14), the which you will find most interesting--and out of concern for the best interests of the nation, especially amongst the polloi--I wish to, at this time, petition your office to conduct an enquiry into whether the New Alliance Party (2032 Fifth Ave., New York, NY 10035 being their National Headquarters) is either a bona fide political organisation or may really be a thinly-disguised political variant on the Church of Scientology, as it were (as the writer of said letter, Dennis King--already well-known for his work Lyndon LaRouche and the New American Fascism, published in 1989--phrases it, "it is a Manhattan West Side psychotherapy cult controlled by Fred Newman and a tiny handful of his longtime patients, most of whom are white.")

Said letter makes reference to the fact of groups like Cult Awareness Network, the Centre for Democratic Renewal and the Anti-Defamation League of B'nai B'rith raising questions in past about the New Alliance Party being a political organisation, even going so far as to present evidence (available in reports offered by these very organisations) that such is nothing short of a cult; further, Mr. King cites Fred Newman's 1974 treatise Power and Authority (I am uncertain, however, if such is still in print) as being the articles of faith for New Alliance. Writes King: "The central idea--that therapists should exercise a 'proletarian-ego' dictatorship over the minds of their patients--has no credible relationship to the ideals of democracy and equality that Lenora B. Fulani New Alliance's Presidential candidate 1 claims to champion."

(Personally, I am apt to wonder of the potential for the ideals of Power and Authority--and, ergo, New Alliance as well--perhaps being exploited more by psychiatrists employed in Government-sponsored or -funded mental health clinics, and especially those engaged in having high caseloads of low-income or public-assistance cases--especially those forced into the materia medica pschiatrica as a condition of receiving public aid, especially with high levels of prescription of anti-psychotic and/or anti-depressant medications, theoretically scaring the caseload into silence and blind conformity to what amounts to the Orwellian Holy Trinity of "WAR IS PEACE/FREEDOM IS SLAVERY/IGNORANCE IS STRENGTH.")

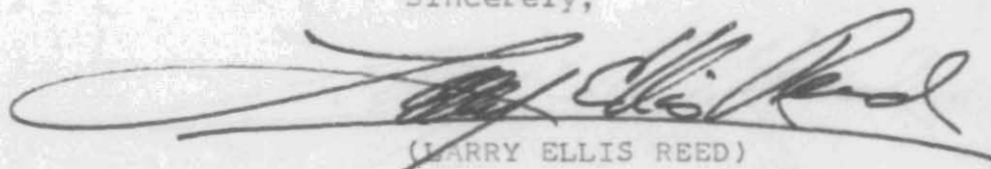
And if it be, then, that New Alliance is really nothing more than a quasi-psychiatric cult, I wonder what they must have been doing qualifying for, and even receiving, Federal matching funds for their Presidential campaigns since as far back as 1984, when Dennis Serette was New Alliance's Presidential candidate--AND if, indeed, such monies went towards their political campaigns or towards their psychiatric cult activities with the eventual and ultimate aim perhaps being their becoming akin to the Church of Scientology--only political.

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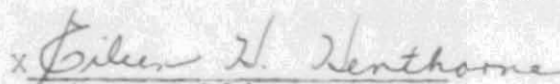
And it leaves me wondering, then, just what kind of aims New Alliance REALLY has for the nation, if we are expected to believe the notion of New Alliance really being a psychiatric cult political, behaving under the guise of a political party to (as I see it) make themselves appear respectable to the polloi, only to really have in mind a police-state attitude based on psychiatry for the nation. As a former psychiatric patient who has suffered through the wringer, especially with the most notoriously sedating anti-psychotics like Mellaril, Prolixin, Haldol and Thorazine, and expected also to play ignorance in the name of "mental health" for fear of "aggravating my wretched condition" so as to require extended treatment in a mental hospital, I can vouch for just what it can be like when psychiatric care is received from such facilities as depend heavily on public aid. It can be a devastating experience.

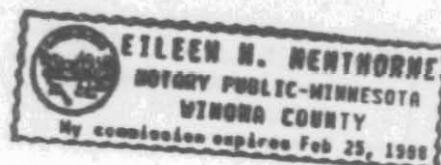
In the best interests of the nation, ergo--especially for the good of those suffering under psychiatry's brutal yoke in facilities heavily reliant on Government financial aid, ala the ultra-constipated on laxatives--I petition you to enquire as to just whether the New Alliance Party is really a bona fide political organisation, or whether it's just a masquerade for a psychiatric cult cashing in on Federal matching funds for their political effort, and possibly diverting said funds to the aims of their cult activities more often than no.

Sincerely,


(LARRY ELLIS REED)

Subscribed to and sworn before me on this the twenty-ninth day of September in the year of Our Lord one thousand, nine hundred and ninety-two, and of the United States of America the two hundred and sixteenth.

x 
Notary Public



93040991709

New Alliance Party Has Unsevered Ties to Anti-Semitism

To the Editor:

Lenora B. Fulani, the New Alliance Party Presidential candidate, writes (letter, Aug. 11): "As an independent black leader I have neither the need nor the inclination to exploit anti-Semitism in the black community. I deplore it." Perhaps she will explain:

- Why she never denounced a 1985 statement by Fred Newman, founder of her party, that the Jews "as a people" have made a pact with "the devil" to serve as the "stormtroopers of decadent capitalism against people of color the world over."

- Why the New Alliance Party has continuously glorified Louis Farrakhan in the pages of *The National Alliance* and other party publications, describing him as America's "most progressive religious leader" and as a victim of "Zionist terror."

- Why the New Alliance Party continued to give office space to the Rev. Al Sharpton even after his inflammatory anti-Jewish rhetoric during the Crown Heights pogrom in 1991.

- Why the New Alliance Party was circulating as recently as this month a brochure at its Manhattan street

tables, urging the public to attend a play by Fred Newman about "the abandonment and destruction of people of color by Jews . . ."

As to Ms. Fulani's claim to be an independent black leader, this is also suspect. The New Alliance Party is no people's movement rooted in the black community; it is a Manhattan West Side psychotherapy cult controlled by Fred Newman and a tiny

handful of his longtime patients, most of whom are white.

This has been confirmed by numerous news media exposés and by the testimony of dozens of defectors (including the New Alliance Party's 1984 Presidential candidate, Dennis Serrette). The party's cultism has been denounced by the Center for Democratic Renewal, the Anti-Defamation League, the National Cult Awareness Network and other organizations that monitor the political fringe.

The ideology of the New Alliance Party leadership is set out in a 1974 work by Mr. Newman called "Power and Authority," which he wrote while he was a disciple of Lyndon LaRouche. The central idea — that therapists should exercise a "proletarian-ego" dictatorship over the minds of their patients — has no credible relationship to the ideals of democracy and equality that Ms. Fulani claims to champion.

DENNIS KING

New York, Aug. 13, 1992

The writer is the author of "Lyndon LaRouche and the New American Fascism" (1989).

31 Aug. 1992 pg. A14



The New York Times
Company

229 West 43d St., N.Y. 10036

ARTHUR OCHS SULZBERGER, Chairman
and Chief Executive Officer

WALTER E. MATTSON, President

LAURA J. CORWIN, Secretary

DAVID L. GORHAM, Senior Vice President
and Chief Financial Officer

MICHAEL E. RYAN, Senior Vice President

RICHARD G. THOMAS, Treasurer

93040991710



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 23, 1992

Larry Ellis Reed
1723 West Broadway
Apartment B
Winona, MN 55987-2020

RE: MUR 3644

Dear Mr. Reed:

This letter acknowledges receipt on October 2, 1992, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by the New Alliance Party. 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 3644. 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.

Sincerely,

A handwritten signature in dark ink, appearing to read "LEK", is written over the typed name of Lisa E. Klein.

Lisa E. Klein
Assistant General Counsel

Enclosure
Procedures

93040991711



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 23, 1992

Lenora B. Fulani, Chairperson
New Alliance Party
2032 Fifth Avenue
New York, NY 10035

RE: MUR 3644

Dear Ms. Fulani:

The Federal Election Commission received a complaint which indicates that the New Alliance Party 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 3644. 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 the New Alliance Party 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.

93040991712

Lenora B. Fulani, Chairperson
New Alliance Party
Page 2

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

93040991713

**ARTHUR
BLOCK**
ATTORNEY AT LAW

250 West 57th Street, Suite 317, New York, NY 10019 (212) 956-5550

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIN COPY ROOM

Nov 4 11 50 AM '92

October 30, 1992

Office of General Counsel
Federal Election Commission
Washington, D.C. 20463
Attn: Veronica Gillespie, Esq.

Re: MUR 3644

Dear Ms. Gillespie:

I represent the respondent in the above-referenced matter, the New Alliance Party. Enclosed please find a duly executed Statement of Designation of Counsel.

This will confirm that pursuant to respondent's request the Commission has granted an extension of time for responding to the complaint to and including November 30, 1992. The reason for the request is that the notification of the complaint arrived at the height of the general election campaign, when party staff and counsel are extremely busy with pressing matters.

Thank you for your courtesies and cooperation.

Very truly yours,

Arthur R. Block

Arthur R. Block

enc.

cc: Dr. Lenora B. Fulani

92 NOV -4 PM 4:01

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FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

93040991714

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3644

NAME OF COUNSEL: Arthur R. Block, Esq.

ADDRESS: Suite 317

250 W. 57th St.

N.Y. N.Y. 10019

TELEPHONE: (212) 956-5550

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.

10/29/92
Date

Lenora B. Fulani
Signature

RESPONDENT'S NAME: New Alliance Party, by Lenora B. Fulani, Ph.D., Chairperson

ADDRESS: 2032 Fifth Avenue

New York, N.Y. 10035

TELEPHONE: HOME()

BUSINESS(212) 996 4700

93040991715



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 20, 1992

Arthur R. Block, Esq.
250 West 57th Street
Suite 317
New York, N.Y. 10019

RE: MUR 3644

Dear Mr. Block:

This is in response to your letter dated October 30, 1992, which we received on November 4, 1992, requesting an extension of 20 days until November 30, 1992 to file a response in the above-referenced matter. After considering all the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on November 30, 1992.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Veronica M. Gillespie

Veronica M. Gillespie
Attorney

93040991716

**ARTHUR
BLOCK**
ATTORNEY AT LAW

250 West 57th Street, Suite 317, New York, NY 10019 (212) 956-5550

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DEC 1 10 26 AM '92

RECEIVED
FEDERAL ELECTION COMMISSION

92 DEC -1 PM 4:26

November 28, 1992

FEDERAL EXPRESS

Office of General Counsel
Federal Election Commission
Washington, D.C. 20463
Attn: Veronica Gillespie, Esq.

Re: MUR 3644

Dear Ms. Gillespie:

I represent the New Alliance Party (NAP) in the above-referenced matter. This letter is in response to your notice dated October 23, 1992. As you know, I previously filed a designation of counsel form with the Commission, and was granted until November 30, 1992, to file this response.

This matter arises out of a letter to the Commission from Larry Ellis Reed of Winona, Minnesota, dated September 29, 1992. Reed states that he is writing "on the strength of" a clipping from the New York Times consisting of a letter to the editor authored by Dennis King. However, King's letter to the editor does not allege, either directly or indirectly, that my client has violated any law, let alone a law within the FEC's enforcement jurisdiction. Nor does Reed's own letter add any such allegation. These materials do not even allege a single action that violates FECA. Accordingly, this matter should be dismissed forthwith.

The Commission's legal authority is to enforce objective legal standards in a nonpartisan manner. To the extent the FEC allows its enforcement powers and resources, and the credibility of a government investigation, to be drawn into the arena of viciously partisan political mudslinging, the Commission's own credibility may suffer. In responding to the Commission's notice, my client respectfully poses to the Commission the question of why such a clearly frivolous and openly hostile letter as Reed's was not screened out by the Commission without giving it the credibility of opening up an MUR. The following points bear upon that question.

Reed's explicit request to the Commission is that it investigate whether NAP is a "bona fide political organization or may really be a thinly-disguised political variant of the Church of Scientology" Reed describes himself as a "former

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Office of General Counsel
Federal Election Commission
November 28, 1992
Page 2

psychiatric patient" who has taken "notoriously sedating anti-psychotics like Mellaril, Prolixin, Haldol, and Thorazine" and who has required "extended treatment in a mental hospital." Reed obviously has very strong opinions about government support for coercive psychiatric treatment modalities, and he has a right to those opinions. However, this has nothing to do with the Commission's jurisdiction. The FEC may not investigate political organizations to determine whether they meet a subjective and inchoate standard of being "bona fide." Such an investigation, moreover, would violate the organization's First Amendment rights.

Reed refers to "Federal matching funds." However, as the Commission is well aware, no federal matching funds have ever been sought by or given to NAP. NAP is a political party, not the authorized campaign committee of any presidential candidate. In 1988, and again in 1992, NAP nominated Dr. Lenora B. Fulani as its presidential candidate. Dr. Fulani had qualified for federal primary matching funds in both of those years. Her authorized campaign committees duly filed reports with the Commission in both election cycles. Reed does not allege that a single dollar of federal funds (or of other committee funds) were used by the Fulani campaigns in any improper manner.

False charges that NAP is "anti-Semitic" or a "psychotherapy cult" are the standard fare of the party's political opponents (indeed, they are literally the bread and butter of King, who tries to make a living launching such attacks). My client has proven itself perfectly capable of responding substantively to these attacks in the political and journalistic arenas.¹ They have no place, however, in the context of this federal government enforcement machinery.

In conclusion, it is requested that this MUR be closed on the grounds that there is no reason to believe that NAP has violated FECA. It is further requested that the Commission revise its complaint processing procedures to ensure that any other complaint of this nature be screened out at the beginning of the process, without even the opening of an MUR.

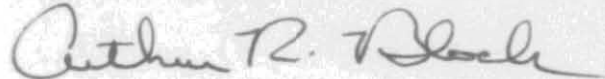
¹ Enclosed is a copy of Dr. Fulani's letter to the editor, published in the New York Times on August 11, 1992, to which King's letter is a response.

93040991718

Office of General Counsel
Federal Election Commission
November 28, 1992
Page 3

Please do not hesitate to contact me if you believe you
need any further information. Thank you.

Very truly yours,



Arthur R. Block

ARB/ag
enc.
cc: Dr. Lenora B. Fulani

93040991719

African-Americans Can't Win Justice in the Two-Party System

To the Editor:

In "Black Demagogues and Pseudo-Scholars" (Op-Ed, July 20), Henry Louis Gates Jr., a professor of English and chairman of the Afro-American studies department at Harvard University, describes "anti-Semitism as a weapon in the raging battle of who will speak for black America." He is right: there is a power struggle going on over who will lead the black community. And anti-Semitism is being exploited by both sides: the nationalists who court the black community by showing how much they dislike Jews, and the assimilationists who like to show off their special relationship to Jews.

What Mr. Gates doesn't make clear is the vantage point from which he writes about this fight for leadership of the African-American community. He is very much in this struggle.

None of these would-be leaders dare to tell the truth: There can be no solution to poverty, police brutality, inadequate schools, drug-generated violence and indifferent health care within the existing political structure. Racism and the two-party system are married to each other.

The African-American people must lead the fight to change the system. That fight cannot be effectively waged or won without including the tens of millions of other people who have watched the American dream

go down the tubes. (Ask the 30 million dissatisfied white folks who eagerly accepted Ross Perot's invitation to dump the major parties, and then got dumped themselves when he realized that with the center-right consolidation of the Democratic Party personified by Bill Clinton and Al Gore, he could safely retire from politics.)

Given the profoundly antipoor and explicitly antiblack posture of the major parties, the issue of who will lead the black community is indeed crucial. But the struggle between the nationalists and the assimilationists that Mr. Gates identifies turns out to be a competition over who will mislead the black community. The contenders are fighting over a small piece of the pie, a place in the Democratic Party sun, a congregation or an audience, a few bucks, a street-corner, an article in *The Times*.

And that includes everyone from the Rev. Jesse Jackson to Representative Charles B. Rangel and his Congressional colleagues to Ron Brown,

chairman of the Democratic National Committee, to Mayor David N. Dinkins, the independent Presidential candidate Ron D. Daniels, Prof. Henry Louis Gates Jr. and the most militant black nationalists. I know many in both camps. A lot are decent, and a few have even managed to accomplish something for the black community. But not one has a serious plan for empowering the black community to win social and economic justice.

As an independent black leader I have neither the need nor the inclination to exploit anti-Semitism in the black community. I deplore it. My life's work is to construct the tools of empowerment that will liberate my people from the chains of injustice and poverty, which keep so many others in bondage as well.

The two major parties and those to whom they are accountable (through the corporate political action committees that bankroll them) have failed to eradicate racism, which was inscribed in the Constitution and is woven into the American fabric.

That is why I have devoted so many hours — pursuing lawsuits in the courts, lobbying in Congress, organizing in the streets. Only a fundamental political restructuring — democratization — can bring about the redistribution of wealth in our country that would allow every American to live a decent life. My message to the black community is that simple: As long as you continue to vote for the greater of the lesser of two evils, there will never be such a redistribution of wealth.

LENORA B. FULANI
New York, July 31, 1992

The writer is the New Alliance Party candidate for President.



The New York Times Company

229 West 43d St., N.Y. 10036

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and Chief Executive Officer
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and Chief Financial Officer
MICHAEL E. RYAN, Senior Vice President
RICHARD G. THOMAS, Treasurer

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

93040991720

LARRY ELLIS REED
1723 W. Broadway apt. B
Winona, MN 55987-2020

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIN COPY ROOM

5 December 1992
16.23 hours

DEC 18 9 34 AM '92

Ms. Lisa E. Klein
Assistant General Counsel
Federal Election Commission
Washington, DC 20463

RE: NEW ALLIANCE PARTY
(MUR #3644)

92 DEC 10 AM 10:26

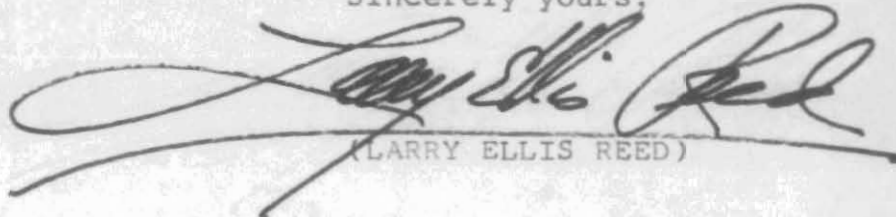
Dear Ms. Klein:

In that some period of time has now seemed to lapse since the above-noted Matter Under Review was first opened, thanks to my letter of report and a letter-to-the-editor from The New York Times prompting said complaint in principio to your Commission, I now write you this belle-lettre to enquire as to the present status of the Matter Under Review file within your Commission and the investigative staff's findings to the present moment.

Let it be hoped said update will be mailed with celerity and dispatch as soon as available details can be arranged. And may it be hoped that the letter I based the complaint on proved and proves to be of help in obtaining all the essential information that may be of help to you in such enquiries as you may be opening or have opened since my bringing thy Notice and Attention thereto.

Thanking you, and hoping soon for any information you may provide up to this moment, I remain

Sincerely yours,



(LARRY ELLIS REED)

93040991721



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 15, 1992

Mr. Larry Ellis Reed
1723 West Broadway
Apartment B
Winona, MN 55987-2020

RE: MUR 3644

Dear Mr. Reed:

This is in response to your letter dated December 5, 1992, in which you request information pertaining to the complaint you filed on October 2, 1992, with the Federal Election Commission.

The Federal Election Campaign Act of 1971, as amended ("the Act") prohibits any person from making public the fact of any notification or investigation by the Commission, prior to closing the file in the matter, unless the party being investigated has agreed in writing that the matter be made public. See 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A). Because there has been no written agreement that the matter be made public, we are not in a position to release any information at this time.

As you were informed by letter dated October 23, 1992, we will notify you as soon as the Commission takes final action on your complaint.

Sincerely,

A handwritten signature in cursive script, reading "Veronica M. Gillespie", is written over the typed name.

Veronica M. Gillespie
Attorney

93040991722

MUR # 3644

ADDITIONAL DOCUMENTS WILL BE ADDED TO THIS FILE AS THEY
BECOME AVAILABLE. PLEASE CHECK FOR ADDITIONAL MICROFILM
LOCATIONS.

93040991723



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

THIS IS THE End of MUR# 3644

DATE FILMED 10/29/93 CAMERA NO. 2

CAMERAMAN MC

93040991724



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20461

☒ Microfilm
☐ Public Records
☐ Press

THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 3644.

12/10/99

93043543361

THE READER IS REFERRED TO ADDITIONAL MICROFILM LOCATIONS
FOR THE FOLLOWING DOCUMENTS PERTINENT TO THIS CASE

1. Memo, General Counsel to the Commission, dated September 22, 1992, Subject: Priority System Report.
See Reel 354, pages 1590-94.
2. Memo, General Counsel to the Commission, dated April 14, 1993, Subject: Enforcement Priority System.
See Reel 354, pages 1595-1620.
3. Certification of Commission vote, dated April 28, 1993.
See Reel 354, pages 1621-22.
4. General Counsel's Report, In the Matter of Enforcement Priority, dated December 3, 1993.
See Reel 354, pages 1623-1740.
5. Certification of Commission vote, dated December 9, 1993.
See Reel 354, pages 1741-1746.

23043543362



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 10 1993

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Larry Ellis Reed
1723 West Broadway
Apartment B
Winona, MN 55987-2020

RE: MUR 3644

Dear Mr. Reed:

On October 2, 1992, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against the New Alliance Party. See attached narrative. Accordingly, the Commission closed its file in this matter. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Eric S. Brown
Paralegal Specialist

Attachment
Narrative

Date the Commission voted to close the file: DEC 09 1993

23043543363

MUR 3644

NEW ALLIANCE PARTY

The complainant, Larry Ellis Reed, alleges that the New Alliance Party diverted presidential primary matching funds received during Dennis Serette's 1984 Presidential election campaign toward their political or psychiatric cult activities. Respondents deny receiving any presidential primary matching funds at that time and deny diverting any subsequently received funds for such purposes.

This case presents no significant issues relative to the other issues pending before the Commission, does not involve a substantial amount of money, evidences no serious intent to violate the FECA and had little or no impact on the process.

23043543364



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 10 1993

Arthur R. Block, Esquire
72 Spring Street Suite 1201
New York, NY 10012

RE: MUR 3644
New Alliance Party

Dear Mr. Block:

On October 23, 1992, the Federal Election Commission notified your client of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against the New Alliance Party. See attached narrative. Accordingly, the Commission closed its file in this matter.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

Eric S. Brown
Paralegal Specialist

Attachment
Narrative

Date the Commission voted to close the file: DEC 9 1993

23043543365

MUR 3644

NEW ALLIANCE PARTY

The complainant, Larry Ellis Reed, alleges that the New Alliance Party diverted presidential primary matching funds received during Dennis Serette's 1984 Presidential election campaign toward their political or psychiatric cult activities. Respondents deny receiving any presidential primary matching funds at that time and deny diverting any subsequently received funds for such purposes.

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23043543366