



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

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November 23, 1993

THE COMMISSIONERS

ME

TO: JOHN C. SURINA  
STAFF DIRECTOR

FROM: ROBERT J. COSTA  
ASSISTANT STAFF DIRECTOR  
AUDIT DIVISION

SUBJECT: FINAL AUDIT REPORT ON UNITED CONSERVATIVES  
OF AMERICA

Attached for your review is the subject audit report and a legal analysis provided by the Office of General Counsel.

The Office of General Counsel is circulating, under separate cover, a First General Counsel's Report on the matters referred from this audit so that all issues addressed may be reviewed simultaneously. The Audit staff reviewed the draft First General Counsel's Report and concurs with the recommendations of the Office of General Counsel.

This report is being circulated on a tally vote basis. Should an objection be received, I recommend that the report be placed on the agenda of the next regularly scheduled Executive Session meeting. Should you have any questions, please contact Joe Swearingen or Russ Bruner at 219-3720.

Attachment:

Final Audit Report on United Conservatives of America  
Legal Analysis, dated September 15, 1993





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

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REPORT OF THE AUDIT DIVISION  
ON  
UNITED CONSERVATIVES OF AMERICA

I. Background

A. Overview

This report is based on an audit of United Conservatives Of America ("the Committee") undertaken by the Audit Division of the Federal Election Commission ("the Commission") in accordance with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to section 438(b) of Title 2 of the United States Code which states, in part, that the Commission may conduct audits and field investigations of any political committee required to file a report under section 434 of this title. Prior to conducting any audit under this section, the Commission shall perform an internal review of reports filed by selected committees to determine if the reports filed by a particular committee meet the threshold requirements for substantial compliance with the Act.

The Committee registered with the Federal Election Commission on August 4, 1988, and maintains its headquarters in McLean, Virginia. The audit covered the period from January 1, 1989, through December 31, 1990. The Audit staff could only perform certain reviews through October 31, 1990, the closing date of the last report filed by the Committee at the time of fieldwork. During the period January 1, 1989 through October 31, 1990, the Committee reported a cash balance on January 1, 1989, of \$4,678.89, total receipts of \$1,666,759.83, total disbursements of \$1,656,944.73 and a cash balance on October 31, 1990, of \$2,130.26.<sup>1/</sup>

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<sup>1/</sup> Totals do not foot due to Committee math errors.

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This audit report is based upon documents and work papers which support each of its factual statements. They form part of the record upon which the Commission based its decisions on the matters in the report and were available to the Commissioners and appropriate staff for review.

#### B. Key Personnel

The treasurer on file for the Committee throughout the audit period was Gregory A. Foster. On March 16, 1989, the Commission received a letter from Mr. Guy Rodgers stating that he had been hired as the Executive Director of the Committee. Mr. Rodgers signed as the treasurer all Committee reports filed in 1989. In 1990, Mr. Robert G. Mills began signing the Committee reports as the treasurer and is currently the Executive Director of the Committee. No amendment to the Statement of Organization was filed for either of the apparent changes of treasurer.

#### C. Scope

The audit review included such tests as verification of total reported receipts, disbursements and individual transactions; review of required supporting documentation; analysis of Committee debts and obligations; and such other audit procedures as deemed necessary under the circumstances. Due to the lack of sufficient documentation for payment of rent and phone expenses and loans received from individuals, testing relative to these areas is incomplete. In addition, tests to verify adequate disclosure of receipts and disbursements was limited as a result of no reports being filed for the period November 1, 1990 through December 31, 1990.

### II. Audit Findings and Recommendations

#### A. Failure to File Disclosure Reports

Section 434(a)(1) of Title 2 of the United States Code states, in relevant part, that the treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of the Act.

Section 434(a)(4)(A) and (B) of Title 2 of the United States Code state, in relevant part, that all political committees other than authorized committees of a candidate shall file quarterly reports in a calendar year in which a regularly scheduled general election is held; and file a post-general election report which shall be complete as of the 20th day after such general election and includes the requirement to file a year-end report.

The last report filed by the Committee at the time of fieldwork was received by the Commission on April 24, 1991 and covered the period of October 1, 1990, through October 31, 1990.

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The Commission's Reports Analysis Division considered that report a pre-general election report. The Committee failed to file a post-general election report which would include the period from November 1, 1990, through November 26, 1990. Additionally, the Committee failed to file a Year End 1990 Report for the period November 27, 1990, through December 31, 1990.

At the exit conference, the Audit staff recommended that the Committee file the missing reports. On February 11, 1992, the Committee filed these reports.

#### Recommendation #1

The Audit staff recommends no further action.

#### B. Misstatement of Financial Activity

Section 434(b) of Title 2 of the United States Code states, in relevant part, that each report shall disclose the amount of cash on hand at the beginning of the reporting period and the total amount of all receipts and the total amount of all disbursements received or made during the reporting period and the calendar year.

The Audit staff performed a reconciliation of the Committee bank accounts to its disclosure reports filed through October 31, 1990, and determined that material differences existed in 1990. Reported beginning cash was overstated by \$8,587.66, reported receipts were understated by \$11,477.76, reported disbursements were overstated by \$ 8,129.14, and ending cash was understated by \$11,020.60.

The misstatement of beginning cash can be primarily attributed to a difference of \$7,792.03 between the ending cash reported by the Committee as of December 31, 1989 (\$12,556.59) and the beginning cash reported as of January 1, 1990 (\$20,348.62). The ending cash-on-hand figure for December 31, 1989 was materially correct. Committee officials provided no explanation for this reporting discrepancy.

The receipts misstatement was primarily the result of an understatement in reported receipts on the 3rd-quarter 1990 disclosure report. The Audit staff identified \$26,614.85 more in bank deposits than were included in the totals used by the Committee in determining its reported receipts for individuals. However, the Audits staff noted \$18,500 in reported loan receipts which could not be traced to identifiable bank deposits. Thus, the net result would be an understatement of \$8,114.85 in receipts on its disclosure reports with a reconciling item of \$3,362.91 for the remaining periods.

The misstatement of disbursements was the net result of 12 disbursements totaling \$14,353.12 which were reported in both the 3rd-quarter 1990 and October 1990 disclosure reports. In

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addition, there was a net overstatement of \$8,324.03 for disbursements where the Committee made math errors and amounts were reported incorrectly. Finally, \$14,031.15 in disbursements were not reported by the Committee and a there was a reconciling item of \$516.86.

In the absence of Committee workpapers detailing the preparation of its disclosure reports and without documentation of loans received, which was requested by the Audit staff but not yet provided by the Committee, the Audit staff was unable to determine the composition of the reconciling items.

At the exit conference, the Committee was given photocopies of audit work papers which described the required adjustments to reported activity. The Audit staff explained the procedures used in calculating the adjusted amounts and informed the Committee that they would be required to file a comprehensive amendment covering the period January 1, 1990, through October 31, 1990. At the Committee's request the Audit staff explained the amendment process and identified which pages of the FEC forms the Committee should use. A representative of the Committee's accounting firm stated that the Committee would file the amendments as requested. On February 11, 1992, the Committee filed a comprehensive amendment to its disclosure reports that materially corrected the record.

#### Recommendation #2

The Audit staff recommends no further action.

#### C. Matters Referred to the Office of General Counsel

Other matters noted during the audit have been referred to the Commission's Office of General Counsel.

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

FIRST GENERAL COUNSEL'S REPORT

LRA #409/AR-93-14

STAFF MEMBER: Peter G. Blumberg

SOURCE:

INTERNALLY GENERATED

RESPONDENTS:

United Conservatives of America and  
Robert G. Mills, acting as treasurer  
and Richard A. Viguerie, as chairman;  
The Viguerie Company and  
Richard A. Viguerie, as president;  
American Mailing List Corporation and  
Richard A. Viguerie, as president;  
Webcraft Technologies, Inc.

RELEVANT STATUTES/  
REGULATIONS:

2 U.S.C. § 432(a)  
2 U.S.C. § 432(c)(1)  
2 U.S.C. § 432(c)(2)  
2 U.S.C. § 432(d)  
2 U.S.C. § 433(b)(4)  
2 U.S.C. § 433(c)  
2 U.S.C. § 434(b)(3)(E)  
2 U.S.C. § 434(b)(8)  
2 U.S.C. § 441b(a)  
11 C.F.R. § 100.7(a)(4)  
11 C.F.R. § 104.11(a)  
11 C.F.R. § 104.14(b)(1)  
11 C.F.R. § 114.10

INTERNAL REPORTS CHECKED:

Audit Documents

FEDERAL AGENCIES CHECKED:

None

I. GENERATION OF MATTER

This matter was generated by an audit of United  
Conservatives of America ("the Committee") undertaken in  
accordance with 2 U.S.C. § 438(b). The Audit Division's

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referrals of matters from the audit are attached.

Attachment 1. The audit covers the period from January 1, 1989, through December 31, 1990. The Interim Audit Report was approved by the Commission on September 17, 1992. The Audit Division received the Committee's response to the report on November 23, 1992.

The Committee registered with the Commission on August 4, 1988. The treasurer on file for the Committee throughout the audit period was Gregory A. Foster. On March 16, 1989, the Commission received a letter from Guy Rodgers in which he states that he had been hired as Executive Director of the Committee. Guy Rodgers signed all the Committee's reports as Treasurer for 1989. In 1990, Robert G. Mills began signing the reports as Treasurer and currently serves as Executive Director of the Committee. No amendment to the Statement of Organization was filed for either apparent change of Treasurer.<sup>1/</sup> The Committee is incorporated in the Commonwealth of Virginia, and its chairman is listed as Richard A. Viguerie.<sup>2/</sup>

<sup>1/</sup> This report names Robert G. Mills as a respondent for various apparent violations of the Federal Election Campaign Act of 1971, as amended ("FECA"), in his capacity as acting treasurer. Mills has been the contact person for the Committee during the audit. See infra § II.C.

<sup>2/</sup> Richard A. Viguerie has previously been named as a respondent in several enforcement actions, including: MUR 93, MUR 229 and MUR 532. Richard A. Viguerie and Company was named as a respondent in MUR 303. Richard A. Viguerie Company, Inc. was named as a respondent in MUR 454. American Mailing List Corporation, another Viguerie company which is involved in this matter, was named as a respondent in MUR 60.

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## II. FACTUAL AND LEGAL ANALYSIS

### A. Itemization and Maintenance of Records for Loan Activity

#### 1. Statutory and Regulatory Provisions

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The treasurer of a political committee must keep an account of all contributions received by, or on behalf of, the political committee. 2 U.S.C. § 432(c)(1). For contributions over \$50, the treasurer must also record the contributor's name and address along with the date and amount of the contribution. 2 U.S.C. § 432(c)(2). The term "contribution" also includes loans made to the committee for the purpose of influencing a federal election. 2 U.S.C. § 431(8)(A)(i). The committee must report the name, mailing address, occupation and name of employer of the person making a loan, along with the identity of any endorser or guarantor of the loan, and the date, amount or value of the loan. 2 U.S.C. § 434(b)(3)(E).

The committee must report debts and obligations on separate schedules together with a statement explaining the circumstances and conditions under which each debt was incurred and extinguished. 11 C.F.R. § 104.11(a); see 2 U.S.C. § 434(b)(8). The debts and obligations owed by political committees must be continuously reported until extinguished. 11 C.F.R. § 104.11(a). The committee must also maintain all records relevant to the reporting of loans, including bank records, vouchers, worksheets, receipts, bills and accounts which provide in sufficient detail the necessary

information and data from which the filed reports and statements may be verified, explained, clarified, and checked for accuracy and completeness. 11 C.F.R. § 104.14(b)(1). The treasurer must preserve all records required to be kept under 2 U.S.C. § 432 for three years after the report is filed. 2 U.S.C. § 432(d).

## 2. Audit Findings

Based on a review of the Committee's canceled checks for loan repayments, the Audit staff identified \$88,000 in apparent loan activity during the audit period, January 1, 1989, through December 31, 1990. However, the Committee's reports disclose only \$58,300 in loan activity. The auditors identified nine different loans from individuals totaling \$33,653.62 which were not itemized on Schedules A or C. Additionally, five loans totaling \$14,700 which were reported on Schedule C, were not itemized on Schedule A. Therefore, fourteen loans totaling \$48,353.62 were not itemized or reported as required. This total represents 55% of the total amount of apparent loan activity identified by the Audit staff.<sup>3/</sup>

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<sup>3/</sup> We note that the Audit staff has established that most of the loans received by the Committee came from individuals and were within contribution limits. However, the audit referral indicates that in three instances, loan repayment checks were made out to businesses or to individuals who deposited the checks into business accounts. This activity totals \$20,884.40 (including interest), and involves three businesses. All three business held accounts in the Washington, D.C. metropolitan area, and therefore, this Office and the Audit Division checked with authorities in D.C., Virginia and Maryland, and confirmed that none of the three businesses were incorporated in those jurisdictions.

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In the Interim Audit Report, the Audit staff recommended that the Committee file amendments to itemize loans on Schedules A and C, and provide other specific verifying information on all loans.<sup>4/</sup> The Committee responded to the Interim Audit Report with amendments to Schedules A and C, and furnished seven loan agreements which support \$24,400 of the loan activity. The amendments to Schedules A and C included updated information on all loans that had been identified by the auditors.<sup>5/</sup> However, except for loan agreements related to \$24,400 of the loan activity, the Committee did not provide the documentation requested in the Interim Audit Report to verify the loan activity. 11 C.F.R. § 104.14(b)(1). Thus, the Audit staff could not determine whether all the loans the Committee received have been disclosed.

In addition, the Committee did not provide detailed summary pages for the amended schedules and it failed to

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4/ The Audit Division requested an accounting of all loans received by the Committee, including information related to loan repayments and outstanding balances; signed loan agreements; bank deposit slips; the names and addresses of persons who received repayments or interest related to loans made to the Committee; and the names and addresses of any other entities that loaned money to the Committee. See Attachment 1.

5/ We note that although the Committee eventually filed correct Schedules A and C, these reports were not timely filed, as they should have been filed at the time of the loans in 1988 and 1989, rather than three to four years later in 1992. See MUR 2598 (Commission found reason to believe that the Texas Republican Congressional Committee and its treasurer violated 2 U.S.C. § 434(b) by failing to timely aggregate and itemize receipts when amendments to incomplete 1983 and 1984 reports were only filed in 1987).



address whether any loans were in the form of payments directly to vendors rather than payments to the Committee. The Committee also did not provide an explanation for the reported loans that could not be traced into the Committee's bank accounts. Therefore, although the Committee filed amended reports, documentation was not provided to insure that all loan activity has been identified and disclosed.

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Since the Committee failed to provide verifying documentation for its loan activity, this Office recommends that the Commission find reason to believe that the Committee and Robert G. Mills violated 2 U.S.C. § 432(d) and 11 C.F.R. § 104.14(b)(1).<sup>6/</sup> Because the Committee has failed to provide the proper documentation to verify the lenders' identities or the circumstances in which debts were incurred or extinguished this Office recommends that the Commission find reason to believe that the Committee and Robert G. Mills violated 2 U.S.C. § 434(b) and 11 C.F.R. § 104.11(a). Since the Committee failed to timely itemize their loan activity, and it failed to file amended summary pages of its reports, this Office recommends that the Commission find reason to believe the Committee and Robert G. Mills violated 2 U.S.C. § 432(c) and 2 U.S.C. § 434(b)

<sup>6/</sup> The Commission took similar measures in MUR 2598 where it found reason to believe that the Texas Republican Congressional Committee violated 2 U.S.C. §§ 432(c) and (d) when the respondent failed to provide auditors performing a Title 2 audit records documenting contributions.



## B. Apparent Corporate Contributions

### 1. Statutory and Regulatory Provisions

It is unlawful for any corporation to make a contribution or expenditure in connection with any federal election to any political office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of a corporation to consent to any corporate expenditures which may be prohibited contributions to candidates or committees. Id. It is also unlawful for any candidate or political committee to accept or receive any contribution from a corporation. Id. The term "contribution" includes any direct or indirect payment, distribution, loan (other than from a bank, pursuant to applicable banking law and regulations, in the ordinary course of business), advance, deposit, or gift of money, or any services, or anything of value. 2 U.S.C. § 441b(b)(2).

Under the Commission's prior regulations governing extensions of credit, a corporation could extend credit to a political committee provided that the credit was extended in the ordinary course of business and the terms were substantially similar to extensions of credit to non-political debtors which were of similar size and risk of obligation. 11 C.F.R. § 114.10 (1989); see 11 C.F.R. § 100.7(a)(4). However, pursuant to the Commission's revised regulations on extensions of credit by commercial vendors, a corporation acting in its capacity as a commercial vendor may extend credit to a candidate, or political committee provided that the credit is extended in the ordinary course of the

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corporation's business and the terms are substantially similar to extensions of credit to non-political debtors that are of similar risk and size of obligation. 11 C.F.R.

§ 116.3(b).<sup>7/</sup> In determining whether a debt has been extended in the ordinary course of business, the Commission will consider: (1) whether the vendor followed its established procedures and its past practices in approving the extension of credit; (2) whether the vendor received prompt payment in full if it previously extended credit to the same candidate or political committee; and (3) whether the extension of credit conformed to the usual and normal practice in the vendor's trade or industry. 11 C.F.R. § 116.3(c).

## 2. Audit Findings

During audit fieldwork, the auditors discovered several apparent prohibited contributions. The prohibited

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<sup>7/</sup> We note that October 3, 1990 was the effective date of 11 C.F.R. § 116.3, which replaced 11 C.F.R. § 114.10. 55 Fed. Reg. 40376 (October 3, 1990). Therefore, any transactions occurring prior to October 3, 1990 are subject to 11 C.F.R. § 114.10, and the transactions on or after October 3, 1990 would be subject to 11 C.F.R. § 116.3. Id. However, because the two regulations are substantially similar we believe they both create a sufficient nexus to the 441b violation. See Explanation and Justification of 11 C.F.R. § 116.3, 55 Fed. Reg. 26381 (June 27, 1989). Thus, the transactions occurring prior to and after the effective date of section 116.3 should be included in the same analysis. In the case herein, all but two transactions occurred before October 3, 1993. Specifically, the two later transactions were credit outlays made to the Committee by the Viguerie Company in October 1990 for \$1,002.00, and Webcraft Technologies, Inc. in November 1990 for \$64,736.50. Therefore, we note that the amount of debt discussed in the extension of credit analysis includes debt created through extensions of credit made both before and after the effective date of section 116.3.

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contributions involved three incorporated vendors who engaged in various transactions with the Committee. The Viguerie Company ("TVC") appears to have made prohibited in-kind contributions to the Committee by providing office space and telephone services free of charge for a period of seven months. Additionally, TVC, and two other vendors, American Mailing List Corporation ("AML") and Webcraft Technologies, Inc. ("Webcraft"), have made apparent prohibited contributions to the Committee by extending credit to the Committee outside the ordinary course of business. We also note various interrelationships between the Committee and two of the vendors.<sup>8/</sup> TVC and AML are registered corporations in the Commonwealth of Virginia. Both corporations shared the same address with the Committee.<sup>9/</sup> Also, TVC, AML, and the Committee all list Richard A. Viguerie as their chairman in their filings with the Commonwealth.<sup>10/</sup>

<sup>8/</sup> Webcraft is a corporation chartered in the District of Columbia. At this time, this Office is unaware of any connections between the vendor and the Committee other than their business dealings. Information relating to ties between Webcraft and the Committee is requested in the proposed subpoenas to Webcraft and the Committee.

<sup>9/</sup> Since the audit, the Committee has moved out of the building it shared with TVC and AML. TVC and AML are still located at the same address.

<sup>10/</sup> However, the Committee did not report a connected organization on its Statement of Organization. At the entrance conference for the audit, the Committee was asked if it had a sponsor, and the Committee responded that it had no sponsor.

a. The Viguerie Company

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The audit referral indicates that from January 1989 through July 1989, the Committee was using space and telephones free of charge in a space leased by TVC. Only in August 1989 did TVC begin to invoice the Committee for rent and telephone use, at a rate of \$597.28 a month. TVC continued to invoice the Committee at this rate through June 1990. After June 1990, it appears that the Committee continued to occupy the space in the building through December 1990, but it is unclear how much the Committee was invoiced at this time.<sup>11/</sup> The only verified payments made by the Committee to TVC for rent and telephones were for August through October 1989, in the amount of \$597.28 per month. The Audit Division also found that the Committee incurred \$114,307.86 in debt to TVC for rent, telephones and other services during the audit period.<sup>12/</sup> The Committee made payments to TVC totaling \$70,649.16 relative to the debt during the audit period. Thus, the outstanding debt to TVC, according to the auditors, is \$43,658.70. Since the audit, the Committee has reported no new incurred debt to TVC, and

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<sup>11/</sup> The Committee claimed that it was invoiced and paid \$724.00 to TVC per month, but no supporting documentation for this assertion was provided.

<sup>12/</sup> This debt figure does not include the debt for rent for the January-July 1989 period, as the audit has concluded that the Committee was never invoiced for these benefits. Additionally, the auditors discovered correspondence from TVC to the Committee stating that \$11,962.91 of the debt was made up of money owed for office rent, telephone and art usage. Presumably, the balance of the debt is for mail-order services.



it has made no payments on the existing debt. However, in its 1992 disclosure reports, the Committee reports only \$32,205.46 in debt to TVC.

We note that the audit did not determine the exact date on which the Committee began to occupy space in the TVC building. However, the Committee indicated in a letter to the Commission dated March 28, 1989, that it was subleasing space from TVC in the Falls Church building. Moreover, the last reported monthly rental payment to the Committee's previous landlord, Sur Management, was made on December 30, 1988.<sup>13/</sup>

With regard to the issues relating to office rental and telephone bill payments, the Interim Audit Report requested information documenting administrative expenses for the period January 1, 1989 through July 31, 1989, and rental agreements between the Committee and TVC. The Interim Audit Report also recommended that the Committee demonstrate that the extensions of credit from TVC did not constitute corporate contributions. The Audit Division sought information such as documentation generated by TVC which demonstrated that the extension of credit was in the ordinary course of business and that TVC made commercially reasonable

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<sup>13/</sup> At the exit conference, the Committee was informed that documentation was not available to perform an adequate review of the Committee's rent and phone expenses. The Committee responded by asking if the office space and phones could be provided pro bono by TVC. The auditors explained that the services could not be provided by a corporation because they would be considered a prohibited contribution.

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efforts to collect the debt. Additionally, the Interim Report requested: (1) contracts between the Committee and TVC; (2) a listing of payments and new debts incurred from TVC, documented with invoices and canceled checks; and (3) explanations from TVC on its financial arrangement with the Committee and of the role of Richard Viguerie, Earl Chester and other corporate officers with respect to the Committee.

In its response to the Interim Audit Report, the Committee asserted that it had been invoiced for the rental expenses by TVC on the same invoices that came in from TVC for mail order services. The Committee stated that it could not locate these invoices, however, and was unable to get duplicate invoices from TVC. Further, the Committee failed to produce any contracts with respect to the lease of the offices or the use of any services such as telephone services.

With respect to the request for information on TVC's policy on extensions of credit and collection of debts, the Committee failed to respond except to state that the debts continue to be reported. With respect to the request for contracts between the Committee and TVC, the Committee produced a contract between the Committee and TVC regarding direct mail services. With regard to the request for an accounting of current balances and new activity with TVC, the Committee produced the October 1991 phone bill, a check copy of November 1991 rent, and December 1991 invoices from Viguerie and Associates. This response does not appear to

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cover all the expenses at issue. With regard to the interrelationships between the Committee and TVC, the Committee stated that Richard Viguerie, the chairman of the Committee, is the only Committee officer with ties to TVC. The Committee did not provide any documentation on the interrelationships of TVC to the other two companies, and they did not address Viguerie's role with respect to TVC's extension of credit to the Committee.

TVC has apparently made a prohibited corporate contribution to the Committee by providing the Committee with office space and telephone use free of charge for a period of time, and then later by providing the Committee with these same benefits and other services on credit outside the ordinary course of business. It appears that the Committee was occupying space in the TVC building from January 1, 1989 through July 31, 1989, and that it was not billed for that period, thus resulting in an in-kind contribution from TVC. The Committee asserts that it was invoiced for rent for the first half of 1989 in the TVC direct mail invoices. But, to date, neither the Committee, nor TVC, has produced the invoices or lease agreements.<sup>14/</sup> Further, the Committee's inquiry as to whether these expenses could be provided pro bono by TVC casts suspicion on the transaction.

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<sup>14/</sup> It is also impossible to determine at this point if the invoices that the Committee claims to have received exceeded \$527 a month, which is the rent amount that the Committee paid later to TVC.

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TVC also appears to have made prohibited contributions to the Committee by making long-term extensions of credit outside the ordinary course of business. See AO 1979-36; AO 1991-18; MUR 3485. TVC has permitted the Committee to carry a debt of \$43,658.70 since December 1990, and has not received a payment in the last two years. Further, there is no evidence that TVC has made efforts to collect the debt, despite requests for such information in the Interim Audit Report. Absent such evidence, it appears that TVC is acting in a commercially unreasonable manner. Further, because the Committee and TVC shared a building and a corporate officer, the transactions between the two may not have been at arm's length.

Therefore, this Office recommends that the Commission find reason to believe that the Committee, Robert G. Mills, acting as treasurer, and Richard A. Viguerie, as chairman, accepted prohibited corporate contributions in violation of 2 U.S.C. § 441b(a).<sup>15/</sup> This Office also recommends that the Commission find reason to believe that The Viguerie Company

<sup>15/</sup> We have included the chairman of the Committee as a potential respondent because there are many indications that Viguerie played a large role in Committee activity, and thus should be held responsible. Additionally, Richard A. Viguerie is named as a respondent in this Report in his capacity as president of The Viguerie Company, and as president of American Mailing List. His position with those companies suggests that he was involved in the actions that have led to this potential enforcement action. See 2 U.S.C. § 441b(a); MUR 3485 (in the Americans for Robertson enforcement action, the Commission in several instances found RTB against corporations and their officers when the officers appeared to have roles in the underlying violations).

and Richard A. Viguerie, as president, made prohibited corporate contributions in violation of 2 U.S.C. § 441b(a).

b. AML

AML appears to have made a prohibited contribution to the Committee by making long-term extensions of credit outside the ordinary course of business. The Committee incurred \$258,644.02 in debt from AML for the rental of mailing lists during the audit period. The Committee made payments toward the debt of \$91,123.40. The debt owed AML in December 1990 was \$173,685.41. The Committee has since incurred \$37,266.67 in new debt, and has made disbursements to AML totaling \$21,568.72. The reported debt as of November 23, 1992 is \$189,383.36. The president of AML is Richard A. Viguerie, the chairman of the Committee and the president of TVC, and at the time of the transactions in question, AML was located in the same building as the Committee and TVC.

The Interim Audit Report recommended that the Committee demonstrate that the extensions of credit from AML did not constitute a corporate contribution. The Audit Division sought information such as documentation generated by AML which demonstrated that the extension of credit was in the ordinary course of business and that AML made commercially reasonable efforts to collect the debt. Additionally, the Interim Report requested: (1) contracts between the Committee and AML; (2) a listing of payments and new debts incurred from AML, documented with invoices and canceled checks; and

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(3) explanations from AML on its financial arrangement with the Committee and of the role of Richard Viguerie, Earl Chester and other corporate officers with respect to the Committee.

In its response, the Committee stated that AML ordinarily permits customers to carry large debts. Beside this assertion, there was no evidence to suggest that this is a typical practice for AML or its industry. The Committee could not produce any contracts with AML, stating that they had no long-term contract with AML, and that the AML invoices represented separate contracts. With regard to the request for an accounting of current balances and new activity with AML, the Committee produced a December 1991 invoice from AML. The Committee did not address any interrelationships between it and AML.

AML appears to have made prohibited contributions to the Committee by making long-term extensions of credit outside the ordinary course of business. We note that the debt owed AML in December 1990 was \$173,685.41, and that since then AML has continued to extend credit to the Committee and allowed it to increase the debt to \$189,383.36. Further, there is no evidence that AML attempted to collect the debt, and the Committee did not provide documentation to support any credit arrangements with AML. Finally, the Committee and AML shared office space and had a common officer, Richard A. Viguerie who was chairman of the Committee and president of AML.

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Therefore, this Office recommends that the Commission find reason to believe that the Committee, Robert G. Mills, acting as treasurer, and Richard A. Viguerie, as chairman, accepted prohibited corporate contributions in violation of 2 U.S.C. § 441b(a). This Office also recommends that the Commission find reason to believe that American Mailing List Corporation and Richard A. Viguerie, as president, made prohibited corporate contributions in violation of 2 U.S.C. § 441b(a).

c. Webcraft Technologies, Inc.

The Committee incurred \$454,937.53 in debt to Webcraft through the audit period for direct mail services. The Committee made payments toward the debt of \$255,942.60. The debt owed Webcraft on December 1990 was \$198,994.93. Since then, the Committee has not reported any more disbursements to Webcraft, although in its last filing, the Committee reports the debt to Webcraft as \$134,258.48. Further, the Audit Division reviewed a statement issued by Webcraft, which shows an outstanding balance of \$79,828.94 as of November 7, 1990. The Committee was asked about the discrepancies at the exit conference, and could not provide an explanation.

The Interim Audit Report recommended that the Committee demonstrate that the extensions of credit from Webcraft did not constitute corporate contributions. The Audit Division sought information such as documentation generated by Webcraft which demonstrated that the extension of credit was in the ordinary course of business and that Webcraft made

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commercially reasonable efforts to collect the debt. Additionally, the Interim Report requested: (1) contracts between the Committee and Webcraft; (2) a listing of payments and new debts incurred from Webcraft, documented with invoices and canceled checks, and an explanation of the discrepancies existent in the Webcraft debt; and (3) explanations from Webcraft on its financial arrangement with the Committee and the role of its corporate officers with respect to the Committee.

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With regard to the request for Webcraft's practices in extending credit and collecting debts, the Committee stated only that the debts continue to be reported. However, the Committee produced a contract with Webcraft, which called for payment of all invoices thirty days after receipt. With regard to the discrepancy in the Webcraft debt, the Committee amended its reports to include the Audit Division's figures on the size of the debt.<sup>16/</sup> The Committee was unable to get an explanation from Webcraft on why the Webcraft invoices show a lower debt. With regard to the request for an accounting of current balances and new activity with the vendors, the Committee produced no information on the debt owed to Webcraft. With regard to the interrelationships

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<sup>16/</sup> As noted, the Committee has several discrepancies in its disclosure reports concerning the size of various debts owed to vendors. The auditors have indicated that all material errors have been corrected on amended reports, and that other errors were not material, thus these apparent reporting violations have not been referred by the Audit Division and will not be pursued by this Office.

between the Committee and Webcraft, the Committee produced no information.

It appears that Webcraft made prohibited contributions to the Committee by making long-term extensions of credit outside the ordinary course of business. Webcraft has permitted the Committee to carry a debt of \$198,994.93 since December 1990, and has not received a payment in the last two years. The contract between the Committee and Webcraft called for payment of any debts within thirty days, but this provision has not been adhered to since the Committee's debt to Webcraft has continued to accumulate long after the thirty day payment period. The Committee has not provided evidence that Webcraft has made efforts to collect the debt, or to demonstrate that permitting customers to carry large debts is the custom for Webcraft or its industry. Further, there exist discrepancies as to the size of the debt, as the Committee reported a debt of \$79,828.94 owed Webcraft on its last report. The subpoena and questions seek information on the discrepancy in reported debt.

Therefore, this Office recommends that the Commission find reason to believe that the Committee and Robert G. Mills, acting as treasurer, and Richard A. Viguerie, as chairman, accepted prohibited corporate contributions in violation of 2 U.S.C. § 441b(a). This Office also recommends that the Commission find reason to believe that Webcraft Technologies, Inc. made prohibited corporate contributions in violation of 2 U.S.C. § 441b(a).

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C. Registration of Political Committees

Every political committee must designate an individual to serve as treasurer. 2 U.S.C. § 432(a). The name and address of the treasurer must be listed in the Committee's statement of organization. 2 U.S.C. § 433(b)(4). Any changes in information previously submitted in the statement of organization, including the name of the treasurer, must be reported in accordance with 2 U.S.C. § 432(g) no later than ten days after the date of the change. 2 U.S.C. § 433(c). It is not sufficient to notify the Commission of a change of treasurer merely by putting the new treasurer's name on the next report filed by the committee.

A review of the Committee's statement of organization shows that the treasurer of record is Gregory A. Foster. However, since 1990, Robert G. Mills has been signing Committee reports as treasurer. Further, Mills has been the contact person for the Committee with the Audit Division during the audit period. At no time, however, has the Committee amended its Statement of Organization to notify the Commission of this apparent change in treasurer.

Because the Committee appears to have changed treasurers and did not report this change in its Statement of Organization, this Office recommends that the Commission find reason to believe that the Committee, and Robert G. Mills, acting as treasurer, violated 2 U.S.C. § 433(c).

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### III. PLAN FOR FURTHER INVESTIGATION

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Provided that the Commission finds reason to believe, as recommended by this report, this Office will need to obtain additional information to further investigate the extent of apparent contributions made by the various vendors to the Committee. This Office intends to subpoena United Conservatives of America, The Viguerie Company, American Mailing List Corporation and Webcraft Technologies, Inc. to request information on billings to the Committee, the collection procedures employed by the vendors, the business customs in the vendors' industries, and the interrelationships between the Committee and the vendors. Further, the proposed subpoenas seek clarification of the Committee's office space arrangements for the period in question.

This Office notes that such documentation was requested in the Interim Audit Report, but was not included in the Committee's response. Therefore, this Office recommends that the Commission approve the attached subpoenas and questions to be issued to the Committee and the vendors.

### IV. RECOMMENDATIONS

1. Open a MUR.
2. Find reason to believe that the United Conservatives of America, and Robert G. Mills, acting as treasurer, violated 2 U.S.C. § 432(c), 2 U.S.C. § 432(d), 2 U.S.C. § 434(b), 11 C.F.R. § 104.11(a) and 11 C.F.R. § 104.14(b)(1).
3. Find reason to believe that United Conservatives of America, and Robert G. Mills, acting as treasurer, and Richard A. Viguerie, as president, violated 2 U.S.C. § 441b.

4. Find reason to believe that the Viguerie Company, and Richard A. Viguerie, as president violated 2 U.S.C. § 441b.

5. Find reason to believe that American Mailing List Corporation, and Richard A. Viguerie, as president violated 2 U.S.C. § 441b.

6. Find reason to believe that Webcraft Technologies, Inc., violated 2 U.S.C. § 441b.

7. Find reason to believe that the United Conservatives of America, and Robert G. Mills, acting as treasurer, violated 2 U.S.C. § 433(c).

8. Approve the attached Factual and Legal Analyses.

9. Approve the attached subpoenas and questions.

10. Approve appropriate letters.

Lawrence M. Noble  
General Counsel

11/23/93  
Date

BY: Kim Bright-Coleman  
Associate General Counsel

Attachments:

1. Audit Referral
2. Committee's Response to Interim Audit Report
3. Factual and Legal Analyses
4. Subpoenas (4)

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
United Conservatives of America - ) Agenda Document  
Final Audit Report ) #X93-89

CERTIFICATION

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I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on December 7, 1993, do hereby certify that the Commission decided by a vote of 6-0 to approve the Final Audit Report on United Conservatives of America as submitted under the November 23, 1993 memorandum from the FEC Audit Division.

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

Attest:

12-8-93  
Date

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

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
United Conservatives of America, ) LRA #409  
and Robert G. Mills, acting as )  
treasurer and Richard Viguerie, ) Agenda Document  
as chairman; ) #X93-89  
The Viguerie Company and Richard )  
A. Viguerie, as president; ) (MUR 3841)  
American Mailing List Corporation )  
and Richard A. Viguerie, as )  
president; )  
Webcraft Technologies, Inc. )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the  
Federal Election Commission executive session on  
December 7, 1993, do hereby certify that the Commission  
decided to take the following actions with respect to the  
above-captioned matter:

1. Open a MUR.
2. Find reason to believe that the United  
Conservatives of America, and Robert G.  
Mills, acting as treasurer, violated  
2 U.S.C. §§ 432(c), 432(d), 434(b), and  
11 C.F.R §§ 104.11(a) and 104.14(b)(1).
3. Find reason to believe that United  
Conservatives of America, and Robert G.  
Mills, acting as treasurer, and  
Richard A. Viguerie, as president  
violated 2 U.S.C. § 441b.

(continued)

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Federal Election Commission  
Certification: United Conservatives  
of America  
December 7, 1993

Page 2

4. Find reason to believe that the Viguerie Company and Richard A. Viguerie, as president, violated 2 U.S.C. § 441b.
5. Find reason to believe that American Mailing List Corporation, and Richard A. Viguerie, as president, violated 2 U.S.C. § 441b.
6. Find reason to believe that Webcraft Technologies, Inc., violated 2 U.S.C. § 441b.
7. Find reason to believe that the United Conservatives of America, and Robert G. Mills, acting as treasurer, violated 2 U.S.C. § 433(c).
8. Approve the Factual and Legal Analyses recommended in the General Counsel's report dated November 23, 1993.
9. Approve the subpoenas and questions recommended in the General Counsel's report dated November 23, 1993.
10. Approve appropriate letters as recommended in the General Counsel's report dated November 23, 1993.

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

Attest:

12-8-93  
Date

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

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

December 22, 1993

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Robert G. Mills  
Acting Treasurer  
United Conservatives of America  
300 I Street, N.E.  
Washington, D.C. 20002

RE: MUR 3841

Dear Mr. Mills:

On December 7, 1993, the Federal Election Commission found that there is reason to believe that the United Conservatives of America ("the Committee") and you, acting as treasurer, violated 2 U.S.C. §§ 432(c), 432(d), 434(b), 441b and 433(c), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Commission also found reason to believe that the Committee and you, acting as treasurer, violated 11 C.F.R. §§ 104.11(a) and 104.14(b)(1). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Statements should be submitted under oath. All responses to the enclosed Order and Subpoena to Produce Documents must be submitted within 30 days of your receipt of this order and subpoena. Any additional materials or statements you wish to submit should accompany the response to the order and subpoena. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order and subpoena. If you intend to be represented by counsel, please advise the Commission by completing the enclosed form stating the name, address, and telephone number

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letter to Robert G. Mills, Acting Treasurer  
page 2

of such counsel, and authorizing such counsel to receive any notifications or other communications from the Commission.

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

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

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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Peter Blumberg, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,



Scott E. Thomas  
Chairman

Enclosures  
Order and Subpoena  
Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)  
)  
)  
)

MUR 3841


SUBPOENA TO PRODUCE DOCUMENTS  
ORDER TO SUBMIT WRITTEN ANSWERS

TO: United Conservatives of America  
300 I Street, N.E.  
Washington, D.C.

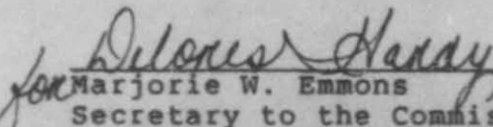
Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in  
furtherance of its investigation in the above captioned matter,  
the Federal Election Commission hereby orders you to submit a  
written answer to the question attached to this Order and  
subpoenas you to produce the documents listed on this Subpoena.

Notice is given that these documents and answers must be  
submitted to the Office of the General Counsel, Federal Election  
Commission, 999 E Street, N.W., Washington, D.C. 20463, within  
20 days of your receipt of this subpoena. Legible copies which,  
where applicable, show both sides of the documents may be  
substituted for originals.

WHEREFORE, the Chairman of the Federal Election Commission  
has hereunto set hand in Washington, D.C. on this *22nd*  
day of *December*, 1993.

  
\_\_\_\_\_  
Scott E. Thomas, Chairman  
Federal Election Commission

ATTEST:

*for*   
\_\_\_\_\_  
Marjorie W. Emmons  
Secretary to the Commission

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I. INSTRUCTIONS

In answering this question and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

If you cannot answer the following question and request for production of documents in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any answer, documents, communications, or other items about which information is requested by the following question and request for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

The following question and request for production of documents is continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

II. DEFINITIONS

For the purpose of this discovery request, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the person to whom this discovery request is addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting

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statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of this request for the production of documents any documents and materials which may otherwise be construed to be out of its scope.

### III. REQUEST FOR PRODUCTION OF DOCUMENTS

Within 30 days of service of this request, United Conservatives of America is required to produce documentation listed below. Specifically the recipient must produce:

(1) documentation supporting office rental, telephone and photocopying expenses for the period January 1, 1989, through July 31, 1989, which includes, but is not limited to, a listing of the services provided, the amounts billed, the name of the organization billing the Committee, the amount paid, the date of the payment, the identity of the organization paying the bill if it was not the Committee;

(2) leases, contracts, or other rental agreements for the office space(s) occupied by the Committee from January 1, 1989, through December 31, 1990.

(3) any contracts or documentation of other agreements between the Committee and The Viguerie Company, American Mailing List Corporation and Webcraft Technologies, Inc.;

(4) documentation related to any loan received or repaid by the Committee from January 1, 1989 through December 31, 1990, including, but not limited to, loan agreements and check copies. Information must include the date of the loan, the name of the lender, the amount of the loan, the terms of the repayment, and the date of repayment.

### IV. ORDER TO ANSWER QUESTION

Within 30 days of service of this request, United Conservatives of America is required to submit a written answer to the following question:

(1) What is the relationship between the Committee and the Viguerie Company, American Mailing List Corporation and Webcraft Technologies Inc? Include information regarding any shared employees, office space, corporate officers, Board members, or any other similar relationships with the Committee.

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(2) At what locations were the Committee's administrative offices located from January 1, 1989, through December 31, 1990?

(3) Who were the lessors or owners of the office space(s) that the Committee rented or occupied from January 1, 1989, through December 31, 1990?

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FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: United Conservatives of America  
and Robert G. Mills, as treasurer  
300 I Street, N.E.  
Washington, D.C. 20002

RE: MUR 3841

I. BACKGROUND

This matter was generated by information obtained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities pursuant to the Federal Election Campaign Act of 1971, as amended ("the Act"). 2 U.S.C. § 437g(a)(2). On February 22, 1993, the Office of General Counsel received a referral from the Audit Division involving United Conservatives of America. The audit was conducted pursuant to 2 U.S.C. § 438(b) which states, in part, that the Commission may conduct audits and field investigations of any political committee required to file a report under 2 U.S.C. § 434. Prior to conducting any audit under this section, the Commission shall perform an internal review of reports filed by the selected committees to determine if the reports filed by a particular committee meet the threshold requirement for substantial compliance with the Act. The audit covered the period from January 1, 1989, through December 31, 1990.

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## II. FACTUAL AND LEGAL ANALYSIS

### A. Itemization and Maintenance of Records for Loan Activity

#### 1. Statutory and Regulatory Provisions

The treasurer of a political committee must keep an account of all contributions received by, or on behalf of, the political committee. 2 U.S.C. § 432(c)(1). For contributions over \$50, the treasurer must also record the contributor's name and address along with the date and amount of the contribution. 2 U.S.C. § 432(c)(2). The term "contribution" also includes loans made to the committee for the purpose of influencing a federal election. 2 U.S.C. § 431(8)(A)(i). The committee must report the name, mailing address, occupation and name of employer of the person making a loan, along with the identity of any endorser or guarantor of the loan, and the date, amount or value of the loan. 2 U.S.C. § 434(b)(3)(E).

The committee must report debts and obligations on separate schedules together with a statement explaining the circumstances and conditions under which each debt was incurred and extinguished. 11 C.F.R. § 104.11(a); see 2 U.S.C. § 434(b)(8). The debts and obligations owed by political committees must be continuously reported until extinguished. 11 C.F.R. § 104.11(a). The committee must also maintain all records relevant to the reporting of loans, including bank records, vouchers, worksheets, receipts, bills

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and accounts which provide in sufficient detail the necessary information and data from which the filed reports and statements may be verified, explained, clarified, and checked for accuracy and completeness. 11 C.F.R. § 104.14(b)(1). The treasurer must preserve all records required to be kept under 2 U.S.C. § 432 for three years after the report is filed. 2 U.S.C. § 432(d).

## 2. Audit Findings

Based on a review of the Committee's canceled checks for loan repayments, the Audit staff identified \$88,000 in apparent loan activity during the audit period, January 1, 1989, through December 31, 1990. However, the Committee's reports disclose only \$58,300 in loan activity. The auditors identified nine different loans from individuals totaling \$33,653.62 which were not itemized on Schedules A or C. Additionally, five loans totaling \$14,700 which were reported on Schedule C, were not itemized on Schedule A. Therefore, fourteen loans totaling \$48,353.62 were not itemized or reported as required. This total represents 55% of the total amount of apparent loan activity identified by the Audit staff.

In the Interim Audit Report, the Audit staff recommended that the Committee file amendments to itemize loans on Schedules A and C, and provide other specific

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verifying information on all loans.<sup>1/</sup> The Committee responded to the Interim Audit Report with amendments to Schedules A and C, and furnished seven loan agreements which support \$24,400 of the loan activity. The amendments to Schedules A and C included updated information on all loans that had been identified by the auditors.<sup>2/</sup> However, except for loan agreements related to \$24,400 of the loan activity, the Committee did not provide the documentation requested in the Interim Audit Report to verify the loan activity. 11 C.F.R. § 104.14(b)(1). Thus, the Audit staff could not determine whether all the loans the Committee received have been disclosed.

In addition, the Committee did not provide detailed summary pages for the amended schedules and it failed to address whether any loans were in the form of payments directly to vendors rather than payments to the Committee. The Committee also did not provide an explanation for the reported loans that could not be traced into the Committee's bank accounts. Therefore, although the Committee filed

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<sup>1/</sup> The Audit Division requested an accounting of all loans received by the Committee, including information related to loan repayments and outstanding balances; signed loan agreements; bank deposit slips; the names and addresses of persons who received repayments or interest related to loans made to the Committee; and the names and addresses of any other entities that loaned money to the Committee. See Attachment 1.

<sup>2/</sup> Although the Committee eventually filed correct Schedules A and C, these reports were not timely filed, as they should have been filed at the time of the loans in 1988 and 1989, rather than three to four years later in 1992.

amended reports, documentation was not provided to insure that all loan activity has been identified and disclosed.

Since the Committee failed to provide verifying documentation for its loan activity, there is reason to believe that the Committee and its treasurer violated 2 U.S.C. § 432(d) and 11 C.F.R. § 104.14(b)(1). Because the Committee has failed to provide the proper documentation to verify the lenders' identities or the circumstances in which debts were incurred or extinguished there is reason to believe that the Committee and its treasurer violated 2 U.S.C. § 434(b) and 11 C.F.R. § 104.11(a). Since the Committee failed to timely itemize their loan activity, and it failed to file amended summary pages of its reports, there is reason to believe the Committee and its treasurer violated 2 U.S.C. § 432(c) and 2 U.S.C. § 434(b)

**B. Apparent Corporate Contributions**

**1. Statutory and Regulatory Provisions**

It is unlawful for any corporation to make a contribution or expenditure in connection with any federal election to any political office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of a corporation to consent to any corporate expenditures which may be prohibited contributions to candidates or committees. Id. It is also unlawful for any candidate or political committee to accept or receive any contribution from a corporation. Id. The term "contribution" includes any direct or indirect payment, distribution, loan (other than from a bank, pursuant to

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applicable banking law and regulations, in the ordinary course of business), advance, deposit, or gift of money, or any services, or anything of value. 2 U.S.C. § 441b(b)(2).

Under the Commission's prior regulations governing extensions of credit, a corporation could extend credit to a political committee provided that the credit was extended in the ordinary course of business and the terms were substantially similar to extensions of credit to non-political debtors which were of similar size and risk of obligation. 11 C.F.R. § 114.10 (1989); see 11 C.F.R. § 100.7(a)(4). However, pursuant to the Commission's revised regulations on extensions of credit by commercial vendors, a corporation acting in its capacity as a commercial vendor may extend credit to a candidate, or political committee provided that the credit is extended in the ordinary course of the corporation's business and the terms are substantially similar to extensions of credit to non-political debtors that are of similar risk and size of obligation. 11 C.F.R.

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§ 116.3(b).3/ In determining whether a debt has been extended in the ordinary course of business, the Commission will consider: (1) whether the vendor followed its established procedures and its past practices in approving the extension of credit; (2) whether the vendor received prompt payment in full if it previously extended credit to the same candidate or political committee; and (3) whether the extension of credit conformed to the usual and normal practice in the vendor's trade or industry. 11 C.F.R. § 116.3(c).

## 2. Audit Findings

During audit fieldwork, the auditors discovered several apparent prohibited contributions. The prohibited contributions involved three incorporated vendors who engaged in various transactions with the Committee. The Viguerie Company ("TVC") appears to have made prohibited in-kind contributions to the Committee by providing office space and telephone services free of charge for a period of seven

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3/ October 3, 1990 was the effective date of 11 C.F.R. § 116.3, which replaced 11 C.F.R. § 114.10. 55 Fed. Reg. 40376 (October 3, 1990). Therefore, any transactions occurring prior to October 3, 1990 are subject to 11 C.F.R. § 114.10, and the transactions on or after October 3, 1990 would be subject to 11 C.F.R. § 116.3. Id. However, because the two regulations are substantially similar, both create a sufficient nexus to the 441b violation. See Explanation and Justification of 11 C.F.R. § 116.3, 55 Fed. Reg. 26381 (June 27, 1989). Thus, the transactions occurring prior to and after the effective date of section 116.3 should be included in the same analysis. In the case herein, all but two transactions occurred before October 3, 1993. Specifically, the two later transactions were credit outlays made to the Committee by the Viguerie Company in October 1990 for \$1,002.00, and Webcraft Technologies, Inc. in November 1990 for \$64,736.50. Therefore, the amount of debt discussed in the extension of credit analysis includes debt created through extensions of credit made both before and after the effective date of section 116.3.

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months. Additionally, TVC, and two other vendors, American Mailing List Corporation ("AML") and Webcraft Technologies, Inc. ("Webcraft"), have made apparent prohibited contributions to the Committee by extending credit to the Committee outside the ordinary course of business. There are various interrelationships between the Committee and two of the vendors. TVC and AML are registered corporations in the Commonwealth of Virginia. Both corporations shared the same address with the Committee.<sup>4/</sup> Also, TVC, AML, and the Committee all list Richard A. Viguerie as their chairman in their filings with the Commonwealth.<sup>5/</sup>

a. The Viguerie Company

The audit referral indicates that from January 1989 through July 1989, the Committee was using space and telephones free of charge in a space leased by TVC. Only in August 1989 did TVC begin to invoice the Committee for rent and telephone use, at a rate of \$597.28 a month. TVC continued to invoice the Committee at this rate through June 1990. After June 1990, it appears that the Committee continued to occupy the space [in the building] through December 1990, but it is unclear how much the Committee was

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4/ Since the audit, the Committee has moved out of the building it shared with TVC and AML. TVC and AML are still located at the same address.

5/ However, the Committee did not report a connected organization on its Statement of Organization. At the entrance conference for the audit, the Committee was asked if it had a sponsor, and the Committee responded that it had no sponsor.

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invoiced at this time.<sup>6/</sup> The only verified payments made by the Committee to TVC for rent and telephones were for August through October 1989, in the amount of \$597.28 per month. The Audit Division also found that the Committee incurred \$114,307.86 in debt to TVC for rent, telephones and other services during the audit period.<sup>7/</sup> The Committee made payments to TVC totaling \$70,649.16 relative to the debt during the audit period. Thus, the outstanding debt to TVC, according to the auditors, is \$43,658.70. Since the audit, the Committee has reported no new incurred debt to TVC, and it has made no payments on the existing debt. However, in its 1992 disclosure reports, the Committee reports only \$32,205.46 in debt to TVC.

The audit did not determine the exact date on which the Committee began to occupy space in the TVC building. However, the Committee indicated in a letter to the Commission dated March 28, 1989, that it was subleasing space from TVC in the Falls Church building. Moreover, the last reported monthly rental payment to the Committee's

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<sup>6/</sup> The Committee claimed that it was invoiced and paid \$724.00 to TVC per month, but no supporting documentation for this assertion was provided.

<sup>7/</sup> This debt figure does not include the debt for rent for the January-July 1989 period, as the audit has concluded that the Committee was never invoiced for these benefits. Additionally, the auditors discovered correspondence from TVC to the Committee stating that \$11,962.91 of the debt was made up of money owed for office rent, telephone and art usage. Presumably, the balance of the debt is for mail-order services.



previous landlord, Sur Management, was made on December 30, 1988.<sup>8/</sup>

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With regard to the issues relating to office rental and telephone bill payments, the Interim Audit Report requested information documenting administrative expenses for the period January 1, 1989, through July 31, 1989, and rental agreements between the Committee and TVC. The Interim Audit Report also recommended that the Committee demonstrate that the extensions of credit from TVC did not constitute corporate contributions. The Audit Division sought information such as documentation generated by TVC which demonstrated that the extension of credit was in the ordinary course of business and that TVC made commercially reasonable efforts to collect the debt. Additionally, the Interim Report requested: (1) contracts between the Committee and TVC; (2) a listing of payments and new debts incurred from TVC, documented with invoices and canceled checks; and (3) explanations from TVC on its financial arrangement with the Committee and of the role of Richard Viguerie, Earl Chester and other corporate officers with respect to the Committee.

In its response to the Interim Audit Report, the Committee asserted that it had been invoiced for the rental

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<sup>8/</sup> At the exit conference, the Committee was informed that documentation was not available to perform an adequate review of the Committee's rent and phone expenses. The Committee responded by asking if the office space and phones could be provided pro bono by TVC. The auditors explained that the services could not be provided by a corporation because they would be considered a prohibited contribution.

expenses by TVC on the same invoices that came in from TVC for mail order services. The Committee stated that it could not locate these invoices, however, and was unable to get duplicate invoices from TVC. Further, the Committee failed to produce any contracts with respect to the lease of the offices or the use of any services such as telephone services.

With respect to the request for information on TVC's policy on extensions of credit and collection of debts, the Committee failed to respond except to state that the debts continue to be reported. With respect to the request for contracts between the Committee and TVC, the Committee produced a contract between the Committee and TVC regarding direct mail services. With regard to the request for an accounting of current balances and new activity with TVC, the Committee produced the October 1991 phone bill, a check copy of November 1991 rent, and December 1991 invoices from Viguerie and Associates. This response does not appear to cover all the expenses at issue. With regard to the interrelationships between the Committee and TVC, the Committee stated that Richard Viguerie, the chairman of the Committee, is the only Committee officer with ties to TVC. The Committee did not provide any documentation on the interrelationships of TVC to the other two companies, and they did not address Viguerie's role with respect to TVC's extension of credit to the Committee.

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TVC has apparently made a prohibited corporate contribution to the Committee by providing the Committee with office space and telephone use free of charge for a period of time, and then later by providing the Committee with these same benefits and other services on credit outside the ordinary course of business. It appears that the Committee was occupying space in the TVC building from January 1, 1989, through July 31, 1989, and that it was not billed for that period, thus resulting in an in-kind contribution from TVC. The Committee asserts that it was invoiced for rent for the first half of 1989 in the TVC direct mail invoices. But, to date, neither the Committee, nor TVC, has produced the invoices or lease agreements.<sup>9/</sup> Further, the Committee's inquiry as to whether these expenses could be provided pro bono by TVC casts suspicion on the transaction.

TVC also appears to have made prohibited contributions to the Committee by making long-term extensions of credit outside the ordinary course of business. See AO 1979-36; AO 1991-18; MUR 3485. TVC has permitted the Committee to carry a debt of \$43,658.70 since December 1990, and has not received a payment in the last two years. Further, there is no evidence that TVC has made efforts to collect the debt, despite requests for such information in the Interim Audit Report. Absent such evidence, it appears that TVC is acting

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<sup>9/</sup> It is also impossible to determine at this point if the invoices that the Committee claims to have received exceeded \$527 a month, which is the rent amount that the Committee paid later to TVC.

in a commercially unreasonable manner. Further, because the Committee and TVC shared a building and a corporate officer, the transactions between the two may not have been at arm's length.

Therefore, there is reason to believe that the Committee and Robert G. Mills, acting as treasurer, accepted prohibited corporate contributions in violation of 2 U.S.C. § 441b(a).

b. AML

AML appears to have made a prohibited contribution to the Committee by making long-term extensions of credit outside the ordinary course of business. The Committee incurred \$258,644.02 in debt from AML for the rental of mailing lists during the audit period. The Committee made payments toward the debt of \$91,123.40. The debt owed AML in December 1990 was \$173,685.41. The Committee has since incurred \$37,266.67 in new debt, and has made disbursements to AML totaling \$21,568.72. The reported debt as of November 23, 1992 is \$189,383.36. The president of AML is Richard A. Viguerie, the chairman of the Committee and the president of TVC, and at the time of the transactions in question, AML was located in the same building as the Committee and TVC.

The Interim Audit Report recommended that the Committee demonstrate that the extensions of credit from AML did not constitute a corporate contribution. The Audit Division sought information such as documentation generated by AML

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which demonstrated that the extension of credit was in the ordinary course of business and that AML made commercially reasonable efforts to collect the debt. Additionally, the Interim Report requested: (1) contracts between the Committee and AML; (2) a listing of payments and new debts incurred from AML, documented with invoices and canceled checks; and (3) explanations from AML on its financial arrangement with the Committee and of the role of Richard Viguerie, Earl Chester and other corporate officers with respect to the Committee.

In its response, the Committee stated that AML ordinarily permits customers to carry large debts. Beside this assertion, there was no evidence to suggest that this is a typical practice for AML or its industry. The Committee could not produce any contracts with AML, stating that they had no long-term contract with AML, and that the AML invoices represented separate contracts. With regard to the request for an accounting of current balances and new activity with AML, the Committee produced a December 1991 invoice from AML. The Committee did not address any interrelationships between the Committee and AML.

AML appears to have made prohibited contributions to the Committee by making long-term extensions of credit outside the ordinary course of business. The debt owed AML in December 1990 was \$173,685.41, and that since then AML has continued to extend credit to the Committee and allowed it to increase the debt to \$189,383.36. Further, there is no

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evidence that AML attempted to collect the debt, and the Committee did not provide documentation to support any credit arrangements with AML. Finally, the Committee and AML shared office space and had a common officer, Richard A. Viguerie who was chairman of the Committee and president of AML.

Therefore, there is reason to believe that the Committee and Robert G. Mills, acting as treasurer, accepted prohibited corporate contributions in violation of 2 U.S.C. § 441b(a).

c. Webcraft Technologies, Inc.

The Committee incurred \$454,937.53 in debt to Webcraft through the audit period for direct mail services. The Committee made payments toward the debt of \$255,942.60. The debt owed Webcraft on December 1990 was \$198,994.93. Since then, the Committee has not reported any more disbursements to Webcraft, although in its last filing, the Committee reports the debt to Webcraft as \$134,258.48. Further, the Audit Division reviewed a statement issued by Webcraft, which shows an outstanding balance of \$79,828.94 as of November 7, 1990. The Committee was asked about the discrepancies at the exit conference, and could not provide an explanation.

The Interim Audit Report recommended that the Committee demonstrate that the extensions of credit from Webcraft did not constitute corporate contributions. The Audit Division sought information such as documentation generated by Webcraft which demonstrated that the extension of credit was in the ordinary course of business and that Webcraft made

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commercially reasonable efforts to collect the debt. Additionally, the Interim Report requested: (1) contracts between the Committee and Webcraft; (2) a listing of payments and new debts incurred from Webcraft, documented with invoices and canceled checks, and an explanation of the discrepancies existent in the Webcraft debt; and (3) explanations from Webcraft on its financial arrangement with the Committee and the role of its corporate officers with respect to the Committee.

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With regard to the request for Webcraft's practices in extending credit and collecting debts, the Committee stated only that the debts continue to be reported. However, the Committee produced a contract with Webcraft, which called for payment of all invoices thirty days after receipt. With regard to the discrepancy in the Webcraft debt, the Committee amended its reports to include the Audit Division's figures on the size of the debt. The Committee was unable to get an explanation from Webcraft on why the Webcraft invoices show a lower debt. With regard to the request for an accounting of current balances and new activity with the vendors, the Committee produced no information on the debt owed to Webcraft. With regard to the interrelationships between the Committee and Webcraft, the Committee produced no information.

It appears that Webcraft made prohibited contributions to the Committee by making long-term extensions of credit outside the ordinary course of business. Webcraft has

permitted the Committee to carry a debt of \$198,994.93 since December 1990, and has not received a payment in the last two years. The contract between the Committee and Webcraft called for payment of any debts within thirty days, but this provision has not been adhered to since the Committee's debt to Webcraft has continued to accumulate long after the thirty day payment period. The Committee has not provided evidence that Webcraft has made efforts to collect the debt, or to demonstrate that permitting customers to carry large debts is the custom for Webcraft or its industry. Further, there exist discrepancies as to the size of the debt, as the Committee reported a debt of \$79,828.94 owed Webcraft on its last report. The subpoena and questions seek information on the discrepancy in reported debt.

Therefore, there is reason to believe that the Committee and Robert G. Mills, acting as treasurer, accepted prohibited corporate contributions in violation of 2 U.S.C. § 441b(a).

C. Registration of Political Committees

Every political committee must designate an individual to serve as treasurer. 2 U.S.C. § 432(a). The name and address of the treasurer must be listed in the Committee's statement of organization. 2 U.S.C. § 433(b)(4). Any changes in information previously submitted in the statement of organization, including the name of the treasurer, must be reported in accordance with 2 U.S.C. § 432(g) no later than ten days after the date of the change. 2 U.S.C. § 433(c).

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It is not sufficient to notify the Commission of a change of treasurer merely by putting the new treasurer's name on the next report filed by the committee.

A review of the Committee's statement of organization shows that the treasurer of record is Gregory A. Foster. However, since 1990, Robert G. Mills has been signing Committee reports as treasurer. Further, Mills has been the contact person for the Committee with the Audit Division during the audit period. At no time, however, has the Committee amended its Statement of Organization to notify the Commission of this apparent change in treasurer.

Because the Committee appears to have changed treasurers and did not report this change in its Statement of Organization, there is reason to believe that the Committee, and Robert G. Mills, acting as treasurer, violated 2 U.S.C. § 433(c).

In summary, there is reason to believe that United Conservative of America and Robert G. Mills, acting as treasurer, violated 2 U.S.C. § 434(b), 2 U.S.C. § 432(c) and (d), 2 U.S.C. § 441b, 2 U.S.C. § 433(c), 11 C.F.R. § 104.11(a) and 11 C.F.R. § 104.14(b)(1).

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 22, 1993

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Richard A. Viguerie  
President  
American Mailing List Corporation  
7777 Leesburg Pike  
Falls Church, VA 22043

RE: MUR 3841

Dear Mr. Viguerie:

On December 7, 1993, the Federal Election Commission found that there is reason to believe that American Mailing List Corporation and you, as President, violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Statements should be submitted under oath. All responses to the enclosed Order and Subpoena to Produce Documents must be submitted within 30 days of your receipt of this order and subpoena. Any additional materials or statements you wish to submit should accompany the response to the order and subpoena. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order and subpoena. If you intend to be represented by counsel, 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 or other communications from the Commission.

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letter to Richard A. Viguerie, President  
page 2

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

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

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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Peter Blumberg, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,



Scott E. Thomas  
Chairman

Enclosures  
Order and Subpoena  
Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 3841

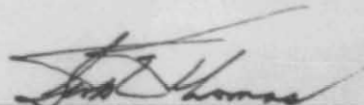
SUBPOENA TO PRODUCE DOCUMENTS  
ORDER TO SUBMIT WRITTEN ANSWERS

TO: American Mailing List Corporation  
7777 Leesburg Pike  
Falls Church, VA 22043

Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above captioned matter, the Federal Election Commission hereby orders you to submit a written answer to the question attached to this Order and subpoenas the documents listed on this Subpoena.

Notice is given that these documents and answers must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 20 days of your receipt of this subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set hand in Washington, D.C. on this *22nd* day of *December*, 1993.

  
\_\_\_\_\_  
Scott E. Thomas, Chairman  
Federal Election Commission

ATTEST:

*for Deborah Hardy*  
\_\_\_\_\_  
Marjorie W. Emmons  
Secretary to the Commission

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I. INSTRUCTIONS

In answering this question and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

If you cannot answer the following question and request for production of documents in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any answers, documents, communications, or other items about which information is requested by the following question and request for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

The following question and request for production of documents is continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

II. DEFINITIONS

For the purpose of this discovery request, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the person to whom this discovery request is addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting

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statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of this request for the production of documents any documents and materials which may otherwise be construed to be out of its scope.

### III. REQUEST FOR PRODUCTION OF DOCUMENTS

Within 30 days of service of this request, American Mailing List Corporation is required to produce documentation relevant to transactions with United Conservatives of America ("the Committee"). Specifically the recipient must produce:

(1) for the period January 1, 1989 through December 31, 1990, vendor statements or other documents which detail the amounts billed to the Committee and the payments received from the Committee, and all supporting documentation including, but not limited to, all invoices, copies of deposited checks, ledgers and any other financial records;

(2) documentation detailing the vendor's efforts to collect the debt owed by the Committee. This includes, but is not limited to, collection letters sent to the Committee, collection agency correspondence, phone logs detailing telephone calls made to collect the debt, Committee's responses to the vendor's efforts, explanations or documentation describing the vendor's industry's custom for debt collection;

(3) any contracts, leases or other agreements between American Mailing List Corporation and United Conservatives of America;

(4) a statement identifying the vendor's address(es) from January 1, 1989 through December 31, 1990;

(5) a statement identifying the corporation's officers, directors and Board members.

### IV. ORDER TO ANSWER QUESTION

Within 30 days of service of this request, American Mailing List Corporation is required to submit a written answer to the following question:

What is the relationship between American Mailing List Corporation and the United Conservatives of America? Include information regarding any shared employees, office space,

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Subpoena and Order-- American Mailing List Corporation  
Page 4

corporate officers, Board members, corporate by-laws or  
charters, or any other similar relationships with the Committee.

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FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: American Mailing List Corporation  
and Richard A. Viguerie, as president  
7777 Leesburg Pike  
Falls Church, VA 22043

RE: MUR 3841

I. BACKGROUND

This matter was generated by information obtained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities pursuant to the Federal Election Campaign Act of 1971, as amended ("the Act"). 2 U.S.C. § 437g(a)(2). This matter is related to transactions between American Mailing List Corporation ("AML") and the United Conservatives of America ("the Committee").

II. APPARENT CORPORATE CONTRIBUTIONS

1. Statutory and Regulatory Provisions

It is unlawful for any corporation to make a contribution or expenditure in connection with any federal election to any political office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of a corporation to consent to any corporate expenditures which may be prohibited contributions to candidates or committees. Id. It is also unlawful for any candidate or political committee to accept or receive any contribution from a corporation. Id. The

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term "contribution" includes any direct or indirect payment, distribution, loan (other than from a bank, pursuant to applicable banking law and regulations, in the ordinary course of business), advance, deposit, or gift of money, or any services, or anything of value. 2 U.S.C. § 441b(b)(2).

Under the Commission's prior regulations governing extensions of credit, a corporation could extend credit to a political committee provided that the credit was extended in the ordinary course of business and the terms were substantially similar to extensions of credit to non-political debtors which were of similar size and risk of obligation. 11 C.F.R. § 114.10 (1989); see 11 C.F.R. § 100.7(a)(4). However, pursuant to the Commission's revised regulations on extensions of credit by commercial vendors, a corporation acting in its capacity as a commercial vendor may extend credit to a candidate, or political committee provided that the credit is extended in the ordinary course of the corporation's business and the terms are substantially similar to extensions of credit to non-political debtors that are of similar risk and size of obligation. 11 C.F.R.

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§ 116.3(b).<sup>1/</sup> In determining whether a debt has been extended in the ordinary course of business, the Commission will consider: (1) whether the vendor followed its established procedures and its past practices in approving the extension of credit; (2) whether the vendor received prompt payment in full if it previously extended credit to the same candidate or political committee; and (3) whether the extension of credit conformed to the usual and normal practice in the vendor's trade or industry. 11 C.F.R. § 116.3(c).

## 2. Audit Findings

During audit fieldwork, the auditors discovered several apparent prohibited contributions. American Mailing List Corporation appears to have made prohibited in-kind contributions to the Committee by extending credit to the Committee outside the ordinary course of business. There are also various interrelationships between the Committee and AML. AML is a registered corporation in the Commonwealth of

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<sup>1/</sup> October 3, 1990 was the effective date of 11 C.F.R. § 116.3, which replaced 11 C.F.R. § 114.10. 55 Fed. Reg. 40376 (October 3, 1990). Therefore, any transactions occurring prior to October 3, 1990 are subject to 11 C.F.R. § 114.10, and the transactions on or after October 3, 1990 would be subject to 11 C.F.R. § 116.3. Id. However, because the two regulations are substantially similar, both create a sufficient nexus to the 441b violation. See Explanation and Justification of 11 C.F.R. § 116.3, 55 Fed. Reg. 26381 (June 27, 1989). Thus, the transactions occurring prior to and after the effective date of section 116.3 should be included in the same analysis. In the case herein, all but two transactions occurred before October 3, 1993. Therefore, the amount of debt discussed in the extension of credit analysis includes debt created through extensions of credit made both before and after the effective date of section 116.3.

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Virginia. It shared an address with the Committee during the audit period from January 1989 through December 1990.2/ Also, AML and the Committee list Richard A. Viguerie as their chairman in their filings with the Commonwealth.3/

AML appears to have made a prohibited contribution to the Committee by making long-term extensions of credit outside the ordinary course of business. The Committee incurred \$258,644.02 in debt from AML for the rental of mailing lists during the audit period. The Committee made payments toward the debt of \$91,123.40. The debt owed AML in December 1990 was \$173,685.41. The Committee has since incurred \$37,266.67 in new debt, and has made disbursements to AML totaling \$21,568.72. The reported debt as of November 23, 1992 is \$189,383.36. The president of AML is Richard A. Viguerie, the chairman of the Committee, and at the time of the transactions in question, AML was located in the same building as the Committee.

AML appears to have made prohibited contributions to the Committee by making long-term extensions of credit outside the ordinary course of business. The debt owed AML in December 1990 was \$173,685.41, and that since then AML has continued to extend credit to the

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2/ Since the audit, the Committee has moved out of the building it shared with AML. AML is still located at the same address.

3/ However, the Committee did not report a connected organization on its Statement of Organization. At the entrance conference for the audit, the Committee was asked if it had a sponsor, and the Committee responded that it had no sponsor.

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Committee and allowed it to increase the debt to \$189,383.36. Further, there is no evidence that AML attempted to collect the debt, and the Committee did not provide documentation to support any credit arrangements with AML. Finally, the Committee and AML shared office space and had a common officer, Richard A. Viguerie who was chairman of the Committee and president of AML.

Therefore, there is reason to believe that American Mailing List Corporation and Richard A. Viguerie, as president made prohibited corporate contributions in violation of 2 U.S.C. § 441b(a).

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 22, 1993

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Webcraft Technologies, Inc.  
1730 M Street, N.W.  
Washington, D.C. 20036

RE: MUR 3841

Dear Webcraft Technologies, Inc.:

On December 7, 1993, the Federal Election Commission found that there is reason to believe that Webcraft Technologies, Inc. violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Statements should be submitted under oath. All responses to the enclosed Order and Subpoena to Produce Documents must be submitted within 30 days of your receipt of this order and subpoena. Any additional materials or statements you wish to submit should accompany the response to the order and subpoena. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order and subpoena. If you intend to be represented by counsel, please advise the Commission by completing the enclosed form stating the name, address, and telephone number

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of such counsel, and authorizing such counsel to receive any notifications or other communications from the Commission.

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

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

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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Peter Blumberg, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,



Scott E. Thomas  
Chairman

Enclosures  
Order and Subpoena  
Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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)  
) MUR 3841  
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SUBPOENA TO PRODUCE DOCUMENTS  
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Webcraft Technologies, Inc.  
1730 M Street, N.W.  
Washington, D.C.

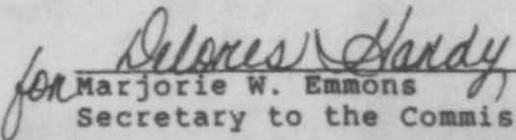
Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in  
furtherance of its investigation in the above captioned matter,  
the Federal Election Commission hereby orders you to submit a  
written answer to the question attached to this Order and  
subpoenas the documents listed on this Subpoena.

Notice is given that these documents must be submitted to  
the Office of the General Counsel, Federal Election Commission,  
999 E Street, N.W., Washington, D.C. 20463, within 20 days of  
your receipt of this Order and Subpoena. Legible copies which,  
where applicable, show both sides of the documents may be  
substituted for originals.

WHEREFORE, the Chairman of the Federal Election Commission  
has hereunto set hand in Washington, D.C. on this 22nd  
day of December, 1993.

  
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Scott E. Thomas, Chairman  
Federal Election Commission

ATTEST:

  
for Marjorie W. Emmons  
Secretary to the Commission

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I. INSTRUCTIONS

In answering this question and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

If you cannot answer the following question and request for production of documents in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any answer, documents, communications, or other items about which information is requested by the following question and request for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

The following question and request for production of documents is continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

II. DEFINITIONS

For the purpose of this discovery request, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the person to whom this discovery request is addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting

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statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of this request for the production of documents any documents and materials which may otherwise be construed to be out of its scope.

### III. REQUEST FOR PRODUCTION OF DOCUMENTS

Within 30 days of service of this request, Webcraft Technologies, Inc. is required to produce documentation relevant to transactions with United Conservatives of America ("the Committee"). Specifically the recipient must produce:

(1) for the period January 1, 1989 through December 31, 1990, vendor statements or other documents which detail the amounts billed to the Committee and the payments received from the Committee, and all supporting documentation including, but not limited to, all invoices, copies of deposited checks, ledgers and any other financial records;

(2) documentation detailing the vendor's efforts to collect the debt owed by the Committee. This includes, but is not limited to, collection letters sent to the Committee, collection agency correspondence, phone logs detailing telephone calls made to collect the debt, Committee's responses to the vendor's efforts, explanations or documentation describing the vendor's industry's custom for debt collection;

(3) any contracts, leases or other agreements between Webcraft and United Conservatives of America;

(4) a statement identifying the vendor's address(es) from January 1, 1989 through December 31, 1990;

(5) a statement identifying the corporation's officers, directors and Board members.

### IV. ORDER TO ANSWER QUESTION

Within 30 days of service of this request, Webcraft Technologies, Inc. is required to submit a written answer to the following question:

What is the relationship between Webcraft Technologies, Inc. and the United Conservatives of America? Include information regarding any shared employees, office space,

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Subpoena and Order -- Webcraft Technologies, Inc.

Page 4

corporate officers, Board members, corporate by-laws or  
charters, or any other similar relationships with the Committee.

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FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Webcraft Technologies, Inc.  
1730 M Street, N.W.  
Washington, D.C. 20036

RE: MUR 3841

I. BACKGROUND

This matter was generated by information obtained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities pursuant to the Federal Election Campaign Act of 1971, as amended ("the Act"). 2 U.S.C. § 437g(a)(2). This matter relates to transactions between Webcraft Technologies, Inc. ("Webcraft") and the United Conservatives of America ("the Committee").

II. APPARENT CORPORATE CONTRIBUTIONS

1. Statutory and Regulatory Provisions

It is unlawful for any corporation to make a contribution or expenditure in connection with any federal election to any political office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of a corporation to consent to any corporate expenditures which may be prohibited contributions to candidates or committees. Id. It is also unlawful for any candidate or political committee to accept or receive any contribution from a corporation. Id. The term "contribution" includes any direct or indirect payment,

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distribution, loan (other than from a bank, pursuant to applicable banking law and regulations, in the ordinary course of business), advance, deposit, or gift of money, or any services, or anything of value. 2 U.S.C. § 441b(b)(2).

Under the Commission's prior regulations governing extensions of credit, a corporation could extend credit to a political committee provided that the credit was extended in the ordinary course of business and the terms were substantially similar to extensions of credit to non-political debtors which were of similar size and risk of obligation. 11 C.F.R. § 114.10 (1989); see 11 C.F.R. § 100.7(a)(4). However, pursuant to the Commission's revised regulations on extensions of credit by commercial vendors, a corporation acting in its capacity as a commercial vendor may extend credit to a candidate, or political committee provided that the credit is extended in the ordinary course of the corporation's business and the terms are substantially similar to extensions of credit to non-political debtors that are of similar risk and size of obligation. 11 C.F.R.

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§ 116.3(b).1/ In determining whether a debt has been extended in the ordinary course of business, the Commission will consider: (1) whether the vendor followed its established procedures and its past practices in approving the extension of credit; (2) whether the vendor received prompt payment in full if it previously extended credit to the same candidate or political committee; and (3) whether the extension of credit conformed to the usual and normal practice in the vendor's trade or industry. 11 C.F.R. § 116.3(c).

## 2. Audit Findings

During audit fieldwork, the auditors discovered several apparent prohibited contributions. The prohibited contributions involved an incorporated vendor which engaged in various transactions with the Committee. Webcraft has made apparent prohibited contributions to the Committee by

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1/ October 3, 1990 was the effective date of 11 C.F.R. § 116.3, which replaced 11 C.F.R. § 114.10. 55 Fed. Reg. 40376 (October 3, 1990). Therefore, any transactions occurring prior to October 3, 1990 are subject to 11 C.F.R. § 114.10, and the transactions on or after October 3, 1990 would be subject to 11 C.F.R. § 116.3. Id. However, because the two regulations are substantially similar, both create a sufficient nexus to the 441b violation. See Explanation and Justification of 11 C.F.R. § 116.3, 55 Fed. Reg. 26381 (June 27, 1989). Thus, the transactions occurring prior to and after the effective date of section 116.3 should be included in the same analysis. In the case herein, all but two transactions occurred before October 3, 1993. Specifically, one of the two later transactions was a credit outlays made to the Committee by Webcraft Technologies, Inc. in November 1990 for \$64,736.50. Therefore, the amount of debt discussed in the extension of credit analysis includes debt created through extensions of credit made both before and after the effective date of section 116.3.

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extending credit to the Committee outside the ordinary course of business. Webcraft is a registered corporation in the District of Columbia.

The Committee incurred \$454,937.53 in debt to Webcraft through the audit period for direct mail services. The Committee made payments toward the debt of \$255,942.60. The debt owed Webcraft on December 1990 was \$198,994.93. Since then, the Committee has not reported any more disbursements to Webcraft, although in its last filing, the Committee reports the debt to Webcraft as \$134,258.48. Further, the Audit Division reviewed a statement issued by Webcraft, which shows an outstanding balance of \$79,828.94 as of November 7, 1990. The Committee was asked about the discrepancies at the exit conference, and could not provide an explanation.

It appears that Webcraft made prohibited contributions to the Committee by making long-term extensions of credit outside the ordinary course of business. Webcraft has permitted the Committee to carry a debt of \$198,994.93 since December 1990, and has not received a payment in the last two years. The contract between the Committee and Webcraft called for payment of any debts within thirty days, but this provision has not been adhered to since the Committee's debt to Webcraft has continued to accumulate long after the thirty day payment period. The Committee has not provided evidence that Webcraft has made efforts to collect the debt, or to demonstrate that permitting customers to carry large debts is the custom for Webcraft or its industry. Further, there

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exist discrepancies as to the size of the debt, as the Committee reported a debt of \$79,828.94 owed Webcraft on its last report.

Therefore, there is reason to believe that Webcraft Technologies, Inc. made prohibited corporate contributions in violation of 2 U.S.C. § 441b(a).

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

December 23, 1993

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Richard A. Viguerie  
President  
The Viguerie Company  
7777 Leesburg Pike  
Suite 440S  
Falls Church, VA 22043

RE: MUR 3841

Dear Mr. Viguerie:

On December 7, 1993, the Federal Election Commission found that there is reason to believe that the Viguerie Company and you, as President, violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Statements should be submitted under oath. All responses to the enclosed Order and Subpoena to Produce Documents must be submitted within 30 days of your receipt of this order and subpoena. Any additional materials or statements you wish to submit should accompany the response to the order and subpoena. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order and subpoena. If you intend to be represented by counsel, 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 or other communications from the Commission.

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letter to Richard A. Viguerie, President  
page 2

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

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

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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Peter Blumberg, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,



Scott E. Thomas  
Chairman

Enclosures  
Order and Subpoena  
Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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)  
)

MUR 3841

SUBPOENA TO PRODUCE DOCUMENTS  
ORDER TO SUBMIT WRITTEN ANSWERS

TO: The Viguerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043

Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above captioned matter, the Federal Election Commission hereby orders you to submit a written answer to the question attached to this Order and subpoenas the documents listed on this Subpoena.

Notice is given that these documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 20 days of your receipt of this subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set hand in Washington, D.C. on this *22nd* day of *December*, 1993.



Scott E. Thomas, Chairman  
Federal Election Commission

ATTEST:

*for Delores Hardy*  
Marjorie W. Emmons  
Secretary to the Commission

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I. INSTRUCTIONS

In answering this question and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

If you cannot answer the following question and request for production of documents in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any answer, documents, communications, or other items about which information is requested by the following question and request for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

The following question and request for production of documents is continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

II. DEFINITIONS

For the purpose of this discovery request, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the person to whom this discovery request is addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting

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statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of this request for the production of documents any documents and materials which may otherwise be construed to be out of its scope.

### III. REQUEST FOR PRODUCTION OF DOCUMENTS

Within 30 days of service of this request, The Viguerie Company ("TVC") is required to produce documentation relevant to transactions with United Conservatives of America ("the Committee"). Specifically the recipient must produce:

(1) for the period January 1, 1989 through December 31, 1990, vendor statements or other documents which detail the amounts billed to the Committee and the payments received from the Committee, and all supporting documentation including, but not limited to, all invoices, copies of deposited checks, ledgers and any other financial records;

(2) documentation detailing the vendor's efforts to collect the debt owed by the Committee. This includes, but is not limited to, collection letters sent to the Committee, collection agency correspondence, phone logs detailing telephone calls made to collect the debt, Committee's responses to the vendor's efforts, explanations or documentation describing the vendor's industry's custom for debt collection;

(3) contracts, leases or other agreements which reflect an agreement between The Viguerie Company and United Conservatives of America. The information provided must include the terms of the sublease of property from TVC which includes, but is not limited to, the date of occupancy, the basis for various charges, the date when payment was due, the amount of payment, and provisions for late payment;

(4) a statement identifying the vendor's address(es) from January 1, 1989 through December 31, 1990;

(5) a statement identifying the corporation's officers, directors and Board members.

### IV. ORDER TO ANSWER QUESTION

Within 30 days of service of this request, The Viguerie Company is required to submit a written answer to the following question:

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What is the relationship between the Viguerie Company and the United Conservatives of America. Include information regarding any shared employees, office space, corporate officers, Board members, corporate by-laws or charters, or any other similar relationships with the Committee?

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FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: The Viguerie Company  
and Richard A. Viguerie, as president  
7777 Leesburg Pike  
Suite 400S  
Falls Church, VA 22043

RE: MUR 3841

I. BACKGROUND

This matter was generated by information obtained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities pursuant to the Federal Election Campaign Act of 1971, as amended ("the Act"). 2 U.S.C. § 437g(a)(2). This matter is related to transactions between the Viguerie Company ("TVC") and the United Conservatives of America ("the Committee").

II. APPARENT CORPORATE CONTRIBUTIONS

1. Statutory and Regulatory Provisions

It is unlawful for any corporation to make a contribution or expenditure in connection with any federal election to any political office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of a corporation to consent to any corporate expenditures which may be prohibited contributions to candidates or committees. Id. It is also unlawful for any candidate or political committee to accept or receive any contribution from a corporation. Id. The

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term "contribution" includes any direct or indirect payment, distribution, loan (other than from a bank, pursuant to applicable banking law and regulations, in the ordinary course of business), advance, deposit, or gift of money, or any services, or anything of value. 2 U.S.C. § 441b(b)(2).

Under the Commission's prior regulations governing extensions of credit, a corporation could extend credit to a political committee provided that the credit was extended in the ordinary course of business and the terms were substantially similar to extensions of credit to non-political debtors which were of similar size and risk of obligation. 11 C.F.R. § 114.10 (1989); see 11 C.F.R. § 100.7(a)(4). However, pursuant to the Commission's revised regulations on extensions of credit by commercial vendors, a corporation acting in its capacity as a commercial vendor may extend credit to a candidate, or political committee provided that the credit is extended in the ordinary course of the corporation's business and the terms are substantially similar to extensions of credit to non-political debtors that are of similar risk and size of obligation. 11 C.F.R.

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§ 116.3(b).1/ In determining whether a debt has been extended in the ordinary course of business, the Commission will consider: (1) whether the vendor followed its established procedures and its past practices in approving the extension of credit; (2) whether the vendor received prompt payment in full if it previously extended credit to the same candidate or political committee; and (3) whether the extension of credit conformed to the usual and normal practice in the vendor's trade or industry. 11 C.F.R. § 116.3(c).

## 2. Audit Findings

During audit fieldwork, the auditors discovered several apparent prohibited contributions. The Viguerie Company ("TVC") appears to have made prohibited in-kind contributions to the Committee by providing office space and telephone services free of charge for a period of seven months. Additionally, TVC has made apparent prohibited contributions

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1/ October 3, 1990 was the effective date of 11 C.F.R. § 116.3, which replaced 11 C.F.R. § 114.10. 55 Fed. Reg. 40376 (October 3, 1990). Therefore, any transactions occurring prior to October 3, 1990 are subject to 11 C.F.R. § 114.10, and the transactions on or after October 3, 1990 would be subject to 11 C.F.R. § 116.3. Id. However, because the two regulations are substantially similar, both create a sufficient nexus to the 441b violation. See Explanation and Justification of 11 C.F.R. § 116.3, 55 Fed. Reg. 26381 (June 27, 1989). Thus, the transactions occurring prior to and after the effective date of section 116.3 should be included in the same analysis. In the case herein, all but two transactions occurred before October 3, 1993. Specifically, the two later transactions were credit outlays made to the Committee by the Viguerie Company in October 1990 for \$1,002.00, and Webcraft Technologies, Inc. in November 1990 for \$64,736.50. Therefore, the amount of debt discussed in the extension of credit analysis includes debt created through extensions of credit made both before and after the effective date of section 116.3.

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to the Committee by extending credit to the Committee outside the ordinary course of business. There are various interrelationships between the Committee and TVC. TVC is a registered corporations in the Commonwealth of Virginia. It shared an address with the Committee during the audit period from January 1989 through December 1990.<sup>2/</sup> Also, TVC and the Committee list Richard A. Viguerie as their chairman in their filings with the Commonwealth.<sup>3/</sup>

The audit referral indicates that from January 1989 through July 1989, the Committee was using space and telephones free of charge in a space leased by TVC. Only in August 1989 did TVC begin to invoice the Committee for rent and telephone use, at a rate of \$597.28 a month. TVC continued to invoice the Committee at this rate through June 1990. After June 1990, it appears that the Committee continued to occupy the space [in the building] through December 1990, but it is unclear how much the Committee was invoiced at this time.<sup>4/</sup> The only verified payments made by the Committee to TVC for rent and telephones were for August through October 1989, in the amount of \$597.28 per month.

<sup>2/</sup> Since the audit, the Committee has moved out of the building it shared with TVC. TVC is are still located at the same address.

<sup>3/</sup> However, the Committee did not report a connected organization on its Statement of Organization. At the entrance conference for the audit, the Committee was asked if it had a sponsor, and the Committee responded that it had no sponsor.

<sup>4/</sup> The Committee claimed that it was invoiced and paid \$724.00 to TVC per month, but no supporting documentation for this assertion was provided.

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The Audit Division also found that the Committee incurred \$114,307.86 in debt to TVC for rent, telephones and other services during the audit period.<sup>5/</sup> The Committee made payments to TVC totaling \$70,649.16 relative to the debt during the audit period. Thus, the outstanding debt to TVC, according to the auditors, is \$43,658.70. Since the audit, the Committee has reported no new incurred debt to TVC, and it has made no payments on the existing debt. However, in its 1992 disclosure reports, the Committee reports only \$32,205.46 in debt to TVC.

The audit did not determine the exact date on which the Committee began to occupy space in the TVC building. However, the Committee indicated in a letter to the Commission dated March 28, 1989, that it was subleasing space from TVC in the Falls Church building. Moreover, the last reported monthly rental payment to the Committee's previous landlord, Sur Management, was made on December 30, 1988.<sup>6/</sup>

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<sup>5/</sup> This debt figure does not include the debt for rent for the January-July 1989 period, as the audit has concluded that the Committee was never invoiced for these benefits. Additionally, the auditors discovered correspondence from TVC to the Committee stating that \$11,962.91 of the debt was made up of money owed for office rent, telephone and art usage. Presumably, the balance of the debt is for mail-order services.

<sup>6/</sup> At the exit conference, the Committee was informed that documentation was not available to perform an adequate review of the Committee's rent and phone expenses. The Committee responded by asking if the office space and phones could be provided pro bono by TVC. The auditors explained that the services could not be provided by a corporation because they would be considered a prohibited contribution.

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TVC has apparently made a prohibited corporate contribution to the Committee by providing the Committee with office space and telephone use free of charge for a period of time, and then later by providing the Committee with these same benefits and other services on credit outside the ordinary course of business. It appears that the Committee was occupying space in the TVC building from January 1, 1989, through July 31, 1989, and that it was not billed for that period, thus resulting in an in-kind contribution from TVC.

TVC also appears to have made prohibited contributions to the Committee by making long-term extensions of credit outside the ordinary course of business. See AO 1979-36; AO 1991-18; MUR 3485. TVC has permitted the Committee to carry a debt of \$43,658.70 since December 1990, and has not received a payment in the last two years. Further, there is no evidence that TVC has made efforts to collect the debt. Absent such evidence, it appears that TVC is acting in a commercially unreasonable manner. Further, because the Committee and TVC shared a building and a corporate officer, the transactions between the two may not have been at arm's length.

Therefore, there is reason to believe that The Viguerie Company, and Richard A. Viguerie, as president, made prohibited corporate contributions in violation of 2 U.S.C. § 441b(a).

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

December 23, 1993

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Richard A. Viguerie  
President and Chairman  
United Conservatives of America  
300 I Street, N.E.  
Washington, D.C. 20002

RE: MUR 3841

Dear Mr. Viguerie:

On December 7, 1993, the Federal Election Commission found that there is reason to believe that you, as President and Chairman of United Conservatives of America, violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order and subpoena. If you intend to be represented by counsel, 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 or other communications from the Commission.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to

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the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

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

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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Peter Blumberg, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,



Scott E. Thomas  
Chairman

Enclosures

Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

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FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Richard A. Viguerie, Chairman  
United Conservatives of America  
300 I Street, N.E.  
Washington, D.C. 20002

RE: MUR 3841

I. BACKGROUND

This matter was generated by information obtained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities pursuant to the Federal Election Campaign Act of 1971, as amended ("the Act"). 2 U.S.C. § 437g(a)(2). On February 22, 1993, the Office of General Counsel received a referral from the Audit Division involving United Conservatives of America. The audit was conducted pursuant to 2 U.S.C. § 438(b) which states, in part, that the Commission may conduct audits and field investigations of any political committee required to file a report under 2 U.S.C. § 434. Prior to conducting any audit under this section, the Commission shall perform an internal review of reports filed by the selected committees to determine if the reports filed by a particular committee meet the threshold requirement for substantial compliance with the Act. The audit covered the period from January 1, 1989, through December 31, 1990.

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## II. APPARENT CORPORATE CONTRIBUTIONS

### 1. Statutory and Regulatory Provisions

It is unlawful for any corporation to make a contribution or expenditure in connection with any federal election to any political office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of a corporation to consent to any corporate expenditures which may be prohibited contributions to candidates or committees. Id. It is also unlawful for any candidate or political committee to accept or receive any contribution from a corporation. Id. The term "contribution" includes any direct or indirect payment, distribution, loan (other than from a bank, pursuant to applicable banking law and regulations, in the ordinary course of business), advance, deposit, or gift of money, or any services, or anything of value. 2 U.S.C. § 441b(b)(2).

Under the Commission's prior regulations governing extensions of credit, a corporation could extend credit to a political committee provided that the credit was extended in the ordinary course of business and the terms were substantially similar to extensions of credit to non-political debtors which were of similar size and risk of obligation. 11 C.F.R. § 114.10 (1989); see 11 C.F.R. § 100.7(a)(4). However, pursuant to the Commission's revised regulations on extensions of credit by commercial vendors, a corporation acting in its capacity as a commercial vendor may extend credit to a candidate, or political committee provided that the credit is extended in the ordinary course of the

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corporation's business and the terms are substantially similar to extensions of credit to non-political debtors that are of similar risk and size of obligation. 11 C.F.R. § 116.3(b).<sup>1/</sup> In determining whether a debt has been extended in the ordinary course of business, the Commission will consider: (1) whether the vendor followed its established procedures and its past practices in approving the extension of credit; (2) whether the vendor received prompt payment in full if it previously extended credit to the same candidate or political committee; and (3) whether the extension of credit conformed to the usual and normal practice in the vendor's trade or industry. 11 C.F.R. § 116.3(c).

## 2. Audit Findings

During audit fieldwork, the auditors discovered several apparent prohibited contributions. The prohibited contributions involved three incorporated vendors who engaged

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<sup>1/</sup> October 3, 1990 was the effective date of 11 C.F.R. § 116.3, which replaced 11 C.F.R. § 114.10. 55 Fed. Reg. 40376 (October 3, 1990). Therefore, any transactions occurring prior to October 3, 1990 are subject to 11 C.F.R. § 114.10, and the transactions on or after October 3, 1990 would be subject to 11 C.F.R. § 116.3. Id. However, because the two regulations are substantially similar both create a sufficient nexus to the 441b violation. See Explanation and Justification of 11 C.F.R. § 116.3, 55 Fed. Reg. 26381 (June 27, 1989). Thus, the transactions occurring prior to and after the effective date of section 116.3 should be included in the same analysis. In the case herein, all but two transactions occurred before October 3, 1993. Specifically, the two later transactions were credit outlays made to the Committee by the Viguerie Company in October 1990 for \$1,002.00, and Webcraft Technologies, Inc. in November 1990 for \$64,736.50. Therefore, the amount of debt discussed in the extension of credit analysis includes debt created through extensions of credit made both before and after the effective date of section 116.3.



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in various transactions with the Committee. The Viguerie Company ("TVC") appears to have made prohibited in-kind contributions to the Committee by providing office space and telephone services free of charge for a period of seven months. Additionally, TVC, and two other vendors, American Mailing List Corporation ("AML") and Webcraft Technologies, Inc. ("Webcraft"), have made apparent prohibited contributions to the Committee by extending credit to the Committee outside the ordinary course of business. There are also various interrelationships between the Committee and two of the vendors. TVC and AML are registered corporations in the Commonwealth of Virginia. Both corporations shared the same address with the Committee.<sup>2/</sup> Also, TVC, AML, and the Committee all list Richard A. Viguerie as their chairman in their filings with the Commonwealth.<sup>3/</sup>

a. The Viguerie Company

The audit referral indicates that from January 1989 through July 1989, the Committee was using space and telephones free of charge in a space leased by TVC. Only in August 1989 did TVC begin to invoice the Committee for rent and telephone use, at a rate of \$597.28 a month. TVC continued to invoice the Committee at this rate through June

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<sup>2/</sup> Since the audit, the Committee has moved out of the building it shared with TVC and AML. TVC and AML are still located at the same address.

<sup>3/</sup> However, the Committee did not report a connected organization on its Statement of Organization. At the entrance conference for the audit, the Committee was asked if it had a sponsor, and the Committee responded that it had no sponsor.

1990. After June 1990, it appears that the Committee continued to occupy the space [in the building] through December 1990, but it is unclear how much the Committee was invoiced at this time.<sup>4/</sup> The only verified payments made by the Committee to TVC for rent and telephones were for August through October 1989, in the amount of \$597.28 per month. The Audit Division also found that the Committee incurred \$114,307.86 in debt to TVC for rent, telephones and other services during the audit period.<sup>5/</sup> The Committee made payments to TVC totaling \$70,649.16 relative to the debt during the audit period. Thus, the outstanding debt to TVC, according to the auditors, is \$43,658.70. Since the audit, the Committee has reported no new incurred debt to TVC, and it has made no payments on the existing debt. However, in its 1992 disclosure reports, the Committee reports only \$32,205.46 in debt to TVC.

The audit did not determine the exact date on which the Committee began to occupy space in the TVC building. However, the Committee indicated in a letter to the Commission dated March 28, 1989, that it was subleasing space

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4/ The Committee claimed that it was invoiced and paid \$724.00 to TVC per month, but no supporting documentation for this assertion was provided.

5/ This debt figure does not include the debt for rent for the January-July 1989 period, as the audit has concluded that the Committee was never invoiced for these benefits. Additionally, the auditors discovered correspondence from TVC to the Committee stating that \$11,962.91 of the debt was made up of money owed for office rent, telephone and art usage. Presumably, the balance of the debt is for mail-order services.

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from TVC in the Falls Church building. Moreover, the last reported monthly rental payment to the Committee's previous landlord, Sur Management, was made on December 30, 1988.<sup>6/</sup>

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With regard to the issues relating to office rental and telephone bill payments, the Interim Audit Report requested information documenting administrative expenses for the period January 1, 1989, through July 31, 1989, and rental agreements between the Committee and TVC. The Interim Audit Report also recommended that the Committee demonstrate that the extensions of credit from TVC did not constitute corporate contributions. The Audit Division sought information such as documentation generated by TVC which demonstrated that the extension of credit was in the ordinary course of business and that TVC made commercially reasonable efforts to collect the debt. Additionally, the Interim Report requested: (1) contracts between the Committee and TVC; (2) a listing of payments and new debts incurred from TVC, documented with invoices and canceled checks; and (3) explanations from TVC on its financial arrangement with the

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6/ At the exit conference, the Committee was informed that documentation was not available to perform an adequate review of the Committee's rent and phone expenses. The Committee responded by asking if the office space and phones could be provided pro bono by TVC. The auditors explained that the services could not be provided by a corporation because they would be considered a prohibited contribution.

Committee and of the role of Richard Viguerie, Earl Chester and other corporate officers with respect to the Committee.

In its response to the Interim Audit Report, the Committee asserted that it had been invoiced for the rental expenses by TVC on the same invoices that came in from TVC for mail order services. The Committee stated that it could not locate these invoices, however, and was unable to get duplicate invoices from TVC. Further, the Committee failed to produce any contracts with respect to the lease of the offices or the use of any services such as telephone services.

With respect to the request for information on TVC's policy on extensions of credit and collection of debts, the Committee failed to respond except to state that the debts continue to be reported. With respect to the request for contracts between the Committee and TVC, the Committee produced a contract between the Committee and TVC regarding direct mail services. With regard to the request for an accounting of current balances and new activity with TVC, the Committee produced the October 1991 phone bill, a check copy of November 1991 rent, and December 1991 invoices from Viguerie and Associates. This response does not appear to cover all the expenses at issue. With regard to the interrelationships between the Committee and TVC, the Committee stated that Richard Viguerie, the chairman of the Committee, is the only Committee officer with ties to TVC. The Committee did not provide any documentation on the

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interrelationships of TVC to the other two companies, and they did not address Viguerie's role with respect to TVC's extension of credit to the Committee.

TVC has apparently made a prohibited corporate contribution to the Committee by providing the Committee with office space and telephone use free of charge for a period of time, and then later by providing the Committee with these same benefits and other services on credit outside the ordinary course of business. It appears that the Committee was occupying space in the TVC building from January 1, 1989, through July 31, 1989, and that it was not billed for that period, thus resulting in an in-kind contribution from TVC. The Committee asserts that it was invoiced for rent for the first half of 1989 in the TVC direct mail invoices. But, to date, neither the Committee, nor TVC, has produced the invoices or lease agreements.<sup>7/</sup> Further, the Committee's inquiry as to whether these expenses could be provided pro bono by TVC casts suspicion on the transaction.

TVC also appears to have made prohibited contributions to the Committee by making long-term extensions of credit outside the ordinary course of business. See AO 1979-36; AO 1991-18; MUR 3485. TVC has permitted the Committee to carry a debt of \$43,658.70 since December 1990, and has not received a payment in the last two years. Further, there is

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<sup>7/</sup> It is also impossible to determine at this point if the invoices that the Committee claims to have received exceeded \$527 a month, which is the rent amount that the Committee paid later to TVC.

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no evidence that TVC has made efforts to collect the debt, despite requests for such information in the Interim Audit Report. Absent such evidence, it appears that TVC is acting in a commercially unreasonable manner. Further, because the Committee and TVC shared a building and a corporate officer, the transactions between the two may not have been at arm's length.

Therefore, there is reason to believe that Richard A. Viguerie, as chairman of United Conservatives of America, accepted prohibited corporate contributions in violation of 2 U.S.C. § 441b(a).

b. AML

AML appears to have made a prohibited contribution to the Committee by making long-term extensions of credit outside the ordinary course of business. The Committee incurred \$258,644.02 in debt from AML for the rental of mailing lists during the audit period. The Committee made payments toward the debt of \$91,123.40. The debt owed AML in December 1990 was \$173,685.41. The Committee has since incurred \$37,266.67 in new debt, and has made disbursements to AML totaling \$21,568.72. The reported debt as of November 23, 1992 is \$189,383.36. The president of AML is Richard A. Viguerie, the chairman of the Committee and the president of TVC, and at the time of the transactions in question, AML was located in the same building as the Committee and TVC.

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The Interim Audit Report recommended that the Committee demonstrate that the extensions of credit from AML did not constitute a corporate contribution. The Audit Division sought information such as documentation generated by AML which demonstrated that the extension of credit was in the ordinary course of business and that AML made commercially reasonable efforts to collect the debt. Additionally, the Interim Report requested: (1) contracts between the Committee and AML; (2) a listing of payments and new debts incurred from AML, documented with invoices and canceled checks; and (3) explanations from AML on its financial arrangement with the Committee and of the role of Richard Viguerie, Earl Chester and other corporate officers with respect to the Committee.

In its response, the Committee stated that AML ordinarily permits customers to carry large debts. Beside this assertion, there was no evidence to suggest that this is a typical practice for AML or its industry. The Committee could not produce any contracts with AML, stating that they had no long-term contract with AML, and that the AML invoices represented separate contracts. With regard to the request for an accounting of current balances and new activity with AML, the Committee produced a December 1991 invoice from AML. The Committee did not address any interrelationships between the Committee and AML.

AML appears to have made prohibited contributions to the Committee by making long-term extensions of credit

outside the ordinary course of business. The debt owed AML in December 1990 was \$173,685.41, and that since then AML has continued to extend credit to the Committee and allowed it to increase the debt to \$189,383.36. Further, there is no evidence that AML attempted to collect the debt, and the Committee did not provide documentation to support any credit arrangements with AML. Finally, the Committee and AML shared office space and had a common officer, Richard A. Viguerie who was chairman of the Committee and president of AML.

Therefore, there is reason to believe that Richard A. Viguerie, as chairman of United Conservatives of America, accepted prohibited corporate contributions in violation of 2 U.S.C. § 441b(a).

c. Webcraft Technologies, Inc.

The Committee incurred \$454,937.53 in debt to Webcraft through the audit period for direct mail services. The Committee made payments toward the debt of \$255,942.60. The debt owed Webcraft on December 1990 was \$198,994.93. Since then, the Committee has not reported any more disbursements to Webcraft, although in its last filing, the Committee reports the debt to Webcraft as \$134,258.48. Further, the Audit Division reviewed a statement issued by Webcraft, which shows an outstanding balance of \$79,828.94 as of November 7,

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1990. The Committee was asked about the discrepancies at the exit conference, and could not provide an explanation.

The Interim Audit Report recommended that the Committee demonstrate that the extensions of credit from Webcraft did not constitute corporate contributions. The Audit Division sought information such as documentation generated by Webcraft which demonstrated that the extension of credit was in the ordinary course of business and that Webcraft made commercially reasonable efforts to collect the debt.

Additionally, the Interim Report requested: (1) contracts between the Committee and Webcraft; (2) a listing of payments and new debts incurred from Webcraft, documented with invoices and canceled checks, and an explanation of the discrepancies existent in the Webcraft debt; and (3) explanations from Webcraft on its financial arrangement with the Committee and the role of its corporate officers with respect to the Committee.

With regard to the request for Webcraft's practices in extending credit and collecting debts, the Committee stated only that the debts continue to be reported. However, the Committee produced a contract with Webcraft, which called for payment of all invoices thirty days after receipt. With regard to the discrepancy in the Webcraft debt, the Committee amended its reports to include the Audit Division's figures on the size of the debt. The Committee was unable to get an explanation from Webcraft on why the Webcraft invoices show a lower debt. With regard to the request for an accounting of

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current balances and new activity with the vendors, the Committee produced no information on the debt owed to Webcraft. With regard to the interrelationships between the Committee and Webcraft, the Committee produced no information.

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It appears that Webcraft made prohibited contributions to the Committee by making long-term extensions of credit outside the ordinary course of business. Webcraft has permitted the Committee to carry a debt of \$198,994.93 since December 1990, and has not received a payment in the last two years. The contract between the Committee and Webcraft called for payment of any debts within thirty days, but this provision has not been adhered to since the Committee's debt to Webcraft has continued to accumulate long after the thirty day payment period. The Committee has not provided evidence that Webcraft has made efforts to collect the debt, or to demonstrate that permitting customers to carry large debts is the custom for Webcraft or its industry. Further, there exist discrepancies as to the size of the debt, as the Committee reported a debt of \$79,828.94 owed Webcraft on its last report.

Therefore, there is reason to believe that Richard A. Viguerie, as chairman of United Conservatives of America, accepted prohibited corporate contributions in violation of 2 U.S.C. § 441b(a).

In summary, there is reason to believe that Richard A. Viguerie, as chairman of United Conservatives of America, violated 2 U.S.C. § 441b.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

JANUARY 12, 1994

VIA FACSIMILE AND  
CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mark Fitzgibbons  
General Counsel  
Viguerie and Associates  
7777 Leesburg Pike  
Falls Church, VA 22043  
FAX -- (703) 827-0048

RE: MUR 3841

Dear Mr. Fitzgibbons:

On December 22, 1993, the Federal Election Commission issued subpoenas to the Viguerie Company and American Mailing List Corporation seeking information relating to MUR 3841. On January 3, 1993, you telephoned me to request clarification on when responses to the subpoenas were due, insofar as the subpoenas contained two different dates of compliance. We note that responses to the subpoenas are due within thirty days of your receipt of the subpoenas. Disregard any statements to the contrary. If you have any questions, please contact me at (202) 219-3690.

Sincerely,

A handwritten signature in dark ink, which appears to read "Peter G. Blumberg", is written over the typed name.

Peter G. Blumberg  
Attorney

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00C#0182

LAW OFFICES  
WILLIAMS & CONNOLLY

725 TWELFTH STREET, N.W.

WASHINGTON, D. C. 20005

(202) 434-5000

FAX (202) 434-5029

EDWARD BENNETT WILLIAMS (1920-1988)  
PAUL R. CONNOLLY (1922-1978)

VINCENT J. FULLER  
RAYMOND W. BERGAN  
JEREMIAH C. COLLINS  
ROBERT L. WEINBERG  
DAVID POVICH  
STEVEN M. UMIN  
JOHN W. VARDAMAN  
PAUL MARTIN WOLFF  
J. ALAN GALBRAITH  
JOHN G. KESTER  
WILLIAM E. MCDANIELS  
BRENDAN V. SULLIVAN, JR.  
AUBREY M. DANIEL, III  
RICHARD M. COOPER  
GERALD A. FEFFER  
ROBERT P. WATKINS  
JERRY L. SHULMAN  
LAWRENCE LUCCHINO  
LEWIS H. FERGUSON, III  
ROBERT B. BARNETT

DAVID E. KENDALL  
GREGORY S. CRAIG  
JOHN J. BUCKLEY, JR.  
TERRENCE O'DONNELL  
DOUGLAS R. MARVIN  
JOHN E. VILLA  
BARRY S. SIMON  
KEVIN T. BAINE  
STEPHEN L. URBANCZYK  
PHILIP J. WARD  
FREDERICK WHITTEN PETERS  
JAMES A. BRUTON, III  
PETER J. KAHN  
JUDITH A. MILLER  
LON S. BABBY  
MICHAEL S. SUNDERMEYER  
JAMES T. FULLER, III  
DAVID D. AUPHAUSER  
BRUCE R. GENDERSON  
CAROLYN H. WILLIAMS

F. LANE HEARD III  
STEVEN R. KUNEY  
GERSON A. ZWEIFACH  
SARAH HELENE DUGGEN  
PAUL MOGIN  
HOWARD W. GUTMAN  
NANCY F. PREISS  
RICHARD S. HOFFMAN  
PAULA MICHELE ELLISON  
STEVEN A. STEINBACH  
MARK S. LEVINSTEIN  
MARY G. CLARK  
VICTORIA L. RADD  
DANIEL F. KATZ  
NICOLE K. SELIGMAN  
ROBERT M. KRASNE  
KATHLEEN L. BEGGS  
SVEN ERIK HOLMES  
WILLIAM R. MURRAY, JR.

January 21, 1994

VIA TELECOPIER (202) 219-3923

Mr. Peter Blumberg  
Federal Election Commission  
Office of the General Counsel  
999 E Street, N.W.  
Washington, D.C. 20463

Re: Webcraft Technologies, Inc.

MUR 3841

Dear Mr. Blumberg:

Pursuant to our telephone discussion on Wednesday, January 19, I am submitting this written request, on behalf of Webcraft Technologies, Inc., for an extension of time to comply with the Federal Election subpoena directed to the company. (A copy of the Statement of Designation of Counsel form is attached, designating our firm as Webcraft's representative before the Commission.)

As I explained in our telephone conversation, because of the holidays and weather, we were not able to discuss this matter with our client until this past Wednesday (January 19). Accordingly, we would request an additional 20 days to respond to your subpoena. It is my understanding that an additional 20 day extension would require Webcraft to respond to the subpoena by or on February 15.

We appreciate your consideration of this request.

Sincerely,

*Douglas R. Marvin*  
Douglas R. Marvin

DRM:bd  
Enclosure

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HERGE, SPARKS & CHRISTOPHER

ATTORNEYS AT LAW

SUITE 200

8201 GREENSBORO DRIVE

MCLEAN, VIRGINIA 22102

(703) 848-4700

TELECOPIER NUMBER  
(703) 893-7371

J. CURTIS HERGE  
ROBERT R. SPARKS, JR.  
A. MARK CHRISTOPHER  
MATTHEW SCOTT McCONNELL  
MARGO B. OWEN  
PETER N. FARLEY

January 29, 1993

COPY

Certified Mail -  
Return Receipt Requested

United Conservatives of America  
300 I Street, N.E., Suite 3  
Washington, D. C. 20002

Re: American Mailing Lists  
Corporation

Dear Sirs:

As you know, this firm has been employed by American Mailing Lists Corporation (hereinafter referred to as "AMLC") to represent the interests of AMLC in and under that certain Promissory Note dated June 9, 1992, in the original principal amount of \$186,670.35, which was executed by United Conservatives of America; and, in and under that certain Security Agreement dated June 9, 1992, given in security for the payment of the aforesaid Note, which was executed by United Conservatives of America. AMLC is the holder of the aforesaid Note and Security Agreement.

This letter is to advise you that United Conservatives of America has defaulted in meeting its obligations under the aforesaid Note. The failure of Mr. Mills to respond to our letter of November 24, 1992 and to our earlier telephone messages leads us to conclude that AMLC has no alternative but to proceed as set forth in the Note and the Security Agreement. Accordingly, AMLC declares the entire amount of unpaid principal, together with all interest accrued thereon, all late charges and costs of collection, immediately due and collectible and demand therefor is hereby made. Further, because an event of default under the Note constitutes an event of default under the Security Agreement, we are writing to advise you that AMLC shall forthwith exercise its right under the Security Agreement to rent and exchange the List described in the Agreement given as Collateral. All proceeds from such uses of the List shall be applied against the sums due AMLC from United Conservatives of America. Upon full satisfaction of that obligation, AMLC will relinquish its interest in the Collateral.

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United Conservatives of America  
January 29, 1993  
Page 2

As provided in the Security Agreement, United Conservatives of America is obligated to deliver to AMLC all copies of the List in the possession of United Conservatives of America or in the possession of any of its agents or contractors and demand therefor is hereby made.

AMLC reserves all other rights and remedies available to it under the Note and the Security Agreement.

Very truly yours,

Herge, Sparks & Christopher

By: 

J. Curvis Herge

:sbl

cc: 300 I Street, N.E., Suite 3  
Washington, D. C. 20002  
(By First Class Mail)

bcc: Mr. Earl Chrester

9704379493C

HERGE, SPARKS & CHRISTOPHER

ATTORNEYS AT LAW

SUITE 200

8201 GREENSBORO DRIVE

MCLEAN, VIRGINIA 22102

(703) 848-4700

TELECOPIER NUMBER  
(703) 893-7371

J. CURTIS HERGE  
ROBERT R. SPARKS, JR.  
A. MARK CHRISTOPHER  
MATTHEW SCOTT McCONNELL  
MARGO B. OWEN  
PETER H. FARLEY

November 24, 1992

COPY

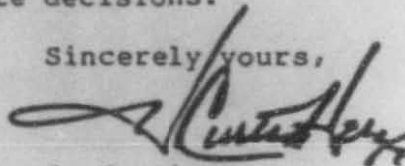
Mr. Robert G. Mills  
Chairman  
United Conservatives of America  
300 I Street, N.E., Suite 3  
Washington, D. C. 20002

Dear Mr. Mills:

I have been asked by Mr. Earl Chester, of American Mailing Lists Corporation ("AMLC"), to counsel AMLC in its relationship with United Conservatives of America. I have been brought into the picture because AMLC wants to cooperate with United Conservatives of America, but wishes advice on the constraints imposed on it, if any, by the Federal Election Campaign Act and other relevant laws. It was for that reason, and at Mr. Chester's suggestion, that I have attempted to reach you by telephone.

I would appreciate it if you would telephone me. It is my hope that you can brief me on current events and proposed activities, information that I think we need to advance our ability to make the requisite decisions.

Sincerely yours,



J. Curtis Herge

:slc

cc: Mr. Earl Chester

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**C.M.L.C. INC.**

United Marketing & Consultants, Inc. • 3251 Old Lee Highway • Suite 504 • Fairfax, Virginia 22030-1994



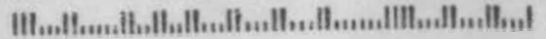
WASH., D.C. GMF-5017 12/19/93 02946 US POST

*United Conservatives of America*

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*Washi*

UNITED CONSERVATIVES OF AMERICA  
12/20/93 1842 12/20/93  
FORWARDING TIME EXPIRED  
UNITED CONSERVATIVES OF AMERICA  
768 WALKER RD 5790  
GREAT FALLS VA 22064-5711  
RETURN TO SENDER



97043794932

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3841  
NAME OF COUNSEL: Williams: Connolly  
ADDRESS: (Jerry Effer, Esq)  
Douglas Marvin, Esq  
725 12th St NW  
TELEPHONE: Washington DC 20005  
(202) 434-5000

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.

1/21/94  
Date

Ira M. Hamrick  
Signature  
VP, General Counsel & Secretary  
Webcraft Technologies, Inc.

RESPONDENT'S NAME: WEBCRAFT TECHNOLOGIES, INC  
ADDRESS: Route 1 : Adams St  
North Brunswick, NJ 08902  
HOME PHONE: \_\_\_\_\_  
BUSINESS PHONE: (908) 821-3704

97043794933



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

JANUARY 26, 1994

Douglas Marvin  
Williams & Connolly  
725 Twelfth Street, N.W.  
Washington, D.C. 20005

RE: MUR 3841  
Webcraft Technologies, Inc.

Dear Mr. Marvin:

This is in response to your letter dated January 21, 1994, which we received on January 24, 1994, requesting an extension of 20 days to respond to the Federal Election Commission subpoena. After considering 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 February 15, 1994.

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

Sincerely,

A handwritten signature in cursive script, which appears to read "Peter G. Blumberg", is written above the typed name.

Peter G. Blumberg  
Attorney

97043794934

# United Conservatives of America

January 28, 1994

Federal Election Commission  
Peter Blumberg  
999 E Street, NW  
Washington, D.C. 20463

94 JAN 31 AM 10:32

RECEIVED  
FEDERAL ELECTION COMMISSION

RE: MUR 3841  
United Conservatives of  
America

Dear Peter:

Per our telephone conversation on 1/28/94 I stated that United Conservatives of America has shut its doors. The corporation is bankrupt and the corporation has been dissolved.

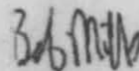
As to the document dated Dec. 22, 1993, from the FEC, I received this document on Jan. 25. Having been out of town I "picked" up my mail to find the mentioned letter.

As requested by the FEC some time ago, I responded to the best of my ability and turned over all documentation related to loans, The Viguerie Company, American Mailing List Co. and Webcraft, Inc. that UCA had on file. Since I was not party to these records and only served as the Executive Director after these "agreements" were in place I produced all the documentation UCA had on file plus made several attempts/requests to retrieve copies of these records from the entities in question.

At this time I would like to request an extension of time to go back and try to locate these documents so as to be able to respond to the questions raised in the FEC subpoena for documents as requested in the FEC letter dated Dec. 22, 1993.

Your response on this matter is greatly appreciated. Please notify me by telephone at (703) 356-8702 or by fax at (703) 356-9436.

Sincerely,



Robert Mills

97043794935





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

FEBRUARY 1, 1994

Robert G. Mills  
Acting Treasurer  
United Conservatives of America  
768 Walker Rd., Suite 290  
Great Falls, VA 22066

RE: MUR 3841  
United Conservatives of America

Dear Mr. Mills:

This is in response to your letter dated January 28, 1994, which we received on January 31, 1994, requesting an extension to respond to the Federal Election Commission subpoena. After considering the circumstances presented in your letter, the Office of the General Counsel has granted a 20 day extension. Accordingly, your response is due by the close of business on February 23, 1994.

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

Sincerely,

A handwritten signature in dark ink, appearing to read "Peter G. Blumberg", is written above the typed name.

Peter G. Blumberg  
Attorney

97043794936

VIGUERIE  
**V&A**  
ASSOCIATES

OAC 0923  
RECEIVED  
FEDERAL ELECTION COMMISSION  
GENERAL COUNSEL

94 FEB -3 PM 3:13

February 3, 1994

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

Re: MUR#3841

Dear Mr. Noble:

This letter is in response to subpoenas dated December 22, 1993 in the above-referenced matter. The subpoenas were issued to American Mailing Lists Corporation ("AMLC") and The Viguerie Company ("TVC"). The subpoenas were served via registered mail on January 3, 1994. As agent for AMLC and TVC, I enclose documents responsive to the subpoenas and answers to the questions asked of AMLC and TVC respectively.

As a preliminary matter, please note that AMLC and TVC object to the constitutionality of the subpoenas served on the respective organizations, said objections being premised on the case of the F.E.C. v. The National Rifle Association. Notwithstanding the objections, AMLC and TVC have responded to the subpoenas but do not waive any rights, claims or objections.

AMLC Subpoena

In response to your request for production of documents, Item 4, AMLC's address from January 1, 1989 through December 31, 1990 was 7777 Leesburg Pike, Falls Church, VA 22043. Referencing request number 5, the officers of AMLC on January 1, 1989, were Earl F. Chester, President and Sandra Butler, Secretary. The Sole Director was Richard Viguerie. Mr. Chester resigned as President effective September 30, 1990, on which date Mr. Viguerie became President.

In response to the question in part IV, AMLC acted solely as the list broker for UCA under the terms of its direct mail agreement with TVC. There was no other relationship between AMLC and UCA. The corporations did not share employees, corporate officers, board members, corporate by-laws or charters. The two organizations did not share office space, however both were sub-tenants of TVC.

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The Office of the General Counsel  
Federal Election Commission  
February 3, 1994  
Page 2

#### TVC Subpoena

In response to your request for production of documents, Item 4, TVC's address from January 1, 1989 through December 31, 1990 was 7777 Leesburg Pike, Falls Church, VA 22043. Referencing request number 5, the officers of TVC from January 1, 1989 through December 31, 1990 were Richard A. Viguerie, President and Earl Chester, Secretary.

In response to the question in part IV, TVC entered into an agreement with UCA to act as UCA's consultant, advisor and direct mail advertising and marketing agency in UCA's efforts to acquire supporters, donors and generally educate the public about its activities. Richard Viguerie, who is the sole shareholder of TVC, founded UCA. He was Chairman and Director of the Board of UCA until November 1, 1991. The two organizations did not share any employees, or corporate officers. Other than Mr. Viguerie, the two organizations did not share any board members. The organizations did not share any corporate by-laws or charters.

UCA sublet space from TVC at 7777 Leesburg Pike, Falls Church, VA 22043.

The documents provided in response to the subpoenas and request for documents are all documents in the possession of AMLC and TVC that are responsive to the request.

#### Other Issues

Both TVC and AMLC have treated the UCA debt similarly to debt owed by other clients. Neither company generally sues clients that do not have money to pay their debts. TVC and AMLC have not written off their respective UCA receivables. It appears that UCA has no valuable asset other than its mailing list, in which AMLC has a security interest. If TVC and/or AMLC were to institute more stringent collection efforts, those efforts would be more costly than effective. A lawsuit for collection would more than likely force UCA into bankruptcy.

TVC and AMLC would prefer that UCA regain financial footing so that it can pay its outstanding debts. It is not uncommon for such organizations to eventually pay old debts. More intensive collection efforts could only damage the chances of TVC and AMLC ever being paid. Neither TVC nor AMLC deem this debt to be resolved or forgiven. UCA has not, to the best of TVC's or

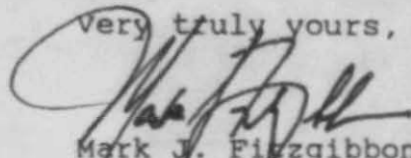
The Office of the General Counsel  
Federal Election Commission  
February 3, 1994  
Page 3

AMLC's knowledge, taken any steps to obtain the F.E.C.'s approval of a plan of debt forgiveness. Thus, TVC and AMLC have not committed any violations. TVC and AMLC perceive this inquiry to be premature.

While it appears an ineffective and costly approach at this time, neither TVC nor AMLC have ruled out the possibility of a lawsuit for collection purposes. Nor have TVC and AMLC dismissed the chance that UCA will rejuvenate itself and satisfy its obligations to TVC and AMLC.

Please feel free to contact me if you have any questions about these matters.

Very truly yours,



Mark J. Fitzgibbons  
General Counsel  
Agent for AMLC and TVC

MJF/jh  
cc: Mr. Richard A. Viguerie

97043794939



THE VIGORIE COMPANY  
7777 Leesburg Pike  
FALLS CHURCH, VIRGINIA 22043

INVOICE

11081

(703) 356-0440

SALESPERSON	DATE OF INVOICE
	09/26/89
SHIP TO	

TO: 9044  
UNITED CONSERVATIVES OF  
AMERICA

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	COL. P.P.	F.O.B. POINT	TERMS	YOUR ORDER NUMBER	
QUANTITY	DESCRIPTION					UNIT PRICE	AMOUNT
1	AUGUST RENT FOR OFFICE SPACE ON THE FIRST FLOOR, NORTH WING, USAGE OF TELEPHONE EQUIPMENT, USAGE OF WATTS LINES FOR 3/82.						575.00
							12.00
							175.00
						TOTAL	762.00

4379-4940

THANK YOU

QUADRUPLICATE

THANK YOU

9704379-4940

THE VIGNERIE COMPANY  
7777 Leesburg Pike  
FALLS CHURCH, VIRGINIA 22043

invoice

11402

(703) 356-0140

TO: 9044

UNITED CONSERVATIVES OF  
AMERICA

SALESPERSON	DATE OF INVOICE
SHIP TO	10/12/89

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	COL. P.P.	F.O.B. POINT	TERMS	YOUR ORDER NUMBER	
QUANTITY	DESCRIPTION					UNIT PRICE	AMOUNT
2	LONG DISTANCE BILLING FOR 2 88						82.50
						TOTAL	82.50

43794941

0

THANK YOU

QUADRUPLICATE

THANK YOU

97043784941

THE VIGUERIE COMPANY  
 7777 Leesburg Pike  
 FALLS CHURCH, VIRGINIA 22043

(703) 356 0440

TO: 9044  
 UNITED CONSERVATIVES OF  
 AMERICA

11401

SALESPERSON	DATE OF INVOICE
SHIP TO	10/19/69

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	COL P.P.	F.O.B. POINT	TERMS	YOUR ORDER NUMBER	
QUANTITY	DESCRIPTION					UNIT PRICE	AMOUNT
1	RENT FOR SEPTEMBER, 1989						575.00
1	RENT FOR OCTOBER, 1989.						575.00
2	USAGE OF TELEPHONE EQUIP, 9-89						22.23
2	USAGE OF PHONE EQUIP, 10-89						22.24
						TOTAL	1,194.47

THANK YOU

QUADRUPLICATE

97043794942

invoice

11771

SALESPERSON	DATE OF INVOICE
	11/30/89
SHIP TO	

TO: 9044  
UNITED CONSERVATIVES OF  
AMERICA

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	COL. P.P.	F.O.B. POINT	TERMS	YOUR ORDER NUMBER	
QUANTITY	DESCRIPTION					UNIT PRICE	AMOUNT
	RENT						
	RECEIVED SEP. 1939 RENT						375.00
	USE OF PHONE EQUIPMENT						22.50
	CABLE CHARGE FOR OCTOBER, 1939						165.75
	TOTAL DUES + CABLE CHARGES \$563.25						
	THANK YOU!					TOTAL	\$563.25

QUADRUPLICATE

## THANK YOU

97043794943



THE VIGORNE COMPANY  
7777 Leesburg Pike  
FALLS CHURCH, VIRGINIA 22043

INVOICE

11912

(703) 356-3440

TO: 5044  
UNITED CONSERVATIVES OF  
AMERICA

SALESPERSON	DATE OF INVOICE
SHIP TO	12/19/89

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	COLOR	P.P.	F.O.B. POINT	TERMS	YOUR ORDER NUMBER	
QUANTITY	DESCRIPTION						UNIT PRICE	AMOUNT
43794944	WHITE 4000'S PER MINUTE							12
	107 MINUTES AT \$1.13 PER MIN.							
THANK YOU!							TOTAL	12

QUADRUPLICATE

THANK YOU

97043794944

THE VIGORNE COMPANY

7777 Leesburg Pike  
FALLS CHURCH, VIRGINIA 22041

NOVEMBER, 1989 GROUP INSURANCE

(703) 356-0410 GROUP INSURANCE

INVOICE

invoice

11910

2, 000

TO: 7011  
UNITED CONSERVATIVES OF  
AMERICA

SALESPERSON	DATE OF INVOICE 12/19/89
SHIP TO	

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	COL. P.P.	K.O.B. POINT	TERMS	YOUR ORDER NUMBER	
QUANTITY	DESCRIPTION					UNIT PRICE	AMOUNT
	WATTS MINUTES FOR NOVEMBER						127.1
	137 MINUTES AT 0.93 PER MIN						
						TOTAL	127.1

43794945

THANK YOU

THANK YOU

QUADRUPLICATE

97043794945

THE VIOLETTE COMPANY  
7777 Leesburg Pike  
FALLS CHURCH, VIRGINIA 22043

11418

(703) 336-0440

TO: 9044  
UNITED CONSERVATIVES OF  
AMERICA

SALESPERSON	DATE OF INVOICE
SHIP TO	10/24/89

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	COL. P.P.	F.O.B. POINT	TERMS	YOUR ORDER NUMBER	
QUANTITY	DESCRIPTION					UNIT PRICE	AMOUNT
	RENT FOR NOVEMBER, 1989.						575.00
	USAGE OF PHONE EQUIP, 11/89.						22.28
						TOTAL	597.28

43784946

THANK YOU!

THANK YOU

QUADRUPLICATE

97043704946

THE VIGUERIE COMPANY  
7777 LEESBURG PIKE  
FALLS CHURCH, VA. 22042  
(703) 356-0440

INVOICE 0020007

TO: 9044  
UNITED CONSERVATIVES OF AMER.  
7777 LEESBURG PIKE  
FIRST FLOOR  
FALLS CHURCH, VA 22043

SALESPERSON \_\_\_\_\_ DATE OF INVOICE 01/11/90  
SHIP TO \_\_\_\_\_

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	CO. P.P. FOR POINT	TERMS	YOUR ORDER NUMBER
-------------	--------------	-------------	--------------------	-------	-------------------

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
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MONTHLY WATTS BILLING

DECEMBER, 1989 WATTS USAGE	25.31
107 MINUTES @ .33 PER MINUTE	

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*Thank You*

TOTAL



THE WIGUERIE COMPANY  
 7777 Leesburg Pike  
 FALLS CHURCH, VIRGINIA 22043

(703) 356-0140

Invoice

1985

TO: 0044  
 UNITED FIBERGLASS INDUSTRIES OF AMER.  
 7777 LEESBURG PIKE  
 FIRST FLOOR  
 FALLS CHURCH, VA 22043

SALESPERSON	DATE OF INVOICE 01.11/90
SHIP TO	

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	C.O.D. P.P.	F.O.B. POINT	TERMS	YOUR ORDER NUMBER	
QUANTITY	DESCRIPTION					UNIT PRICE	AMOUNT
	RENT 5-12-84-12-87, 1270						575.00
	LEASE OF PHONE EQUIP 5-12-84-12-87						22.00
						TOTAL	597.00

43794948

THANK YOU!

THANK YOU

QUADRUPLICATE

977043794948

THE VIGUERIE COMPANY  
7777 LEESBURG PIKE  
FALLS CHURCH, VA. 22043  
(703) 358-0440

INVOICE 0020100

SALESPERSON \_\_\_\_\_ DATE OF INVOICE 01/30/90  
SHIP TO \_\_\_\_\_

TO: 9044  
UNITED CONSERVATIVES OF AMER.  
7777 LEESBURG PIKE  
FIRST FLOOR  
FALLS CHURCH, VA 22043

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	QUOTED F.O.B. POINT	TERMS	YOUR ORDER NUMBER
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QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
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RENT

9	FEBRUARY 1990 OFFICE RENT		575.00
9	USAGE OF PHONE EQUIP. 2/90		22.23

TOTAL

627.23

*Thank You*

97043794949

**THE VIGUERIE COMPANY**

7777 LEESBURG PIKE  
FALLS CHURCH, VA. 22043  
(703) 366-0449

**INVOICE 0020300**

TO: 9044  
UNITED CONSERVATIVES OF AMER.  
7777 LEESBURG PIKE  
FIRST FLOOR  
FALLS CHURCH, VA 22043

SALESPERSON DATE OF INVOICE 1

SHIP TO 1

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	COUPP	FOR POINT	TERMS	YOUR ORDER NUMBER
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QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
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OFFICE RENT FOR MARCH, 1990.

\$375.00

USAGE OF PHONE EQUIPMENT

\$22.29

TOTAL

*Thank You*

97043794950

**THE VIGUERIE COMPANY**

7777 LEESBURG PIKE  
FALLS CHURCH, VA. 22043  
(703) 366-0440

**INVOICE** 0020583

9044  
UNITED CONSERVATIVES OF AMER.  
7777 LEESBURG PIKE  
FIRST FLOOR  
FALLS CHURCH, VA 22043

SALESPERSON \_\_\_\_\_ DATE OF INVOICE 03/29/90  
SHIP TO \_\_\_\_\_

COUNT NO.	DATE SHIPPED	SHIPPED VIA	COUPON	FOR POINT	TERMS	YOUR ORDER NUMBER
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QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
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	APRIL, 1990 OFFICE RENT		\$575.00
	PHONE EQUIPMENT USAGE (2 SETS)		\$22.29
	WATTS USAGE FOR JAN & FEB, 1990 34 MINUTES @ .73 PER MINUTE.		\$11.22

TOTAL \$608.51

*Thank You*

97043794951



**THE VIGUERIE COMPANY**

7777 LEESBURG PIKE  
FALLS CHURCH, VA. 22043  
(703) 386-0440

**INVOICE 0021362**

9044  
UNITED CONSERVATIVES OF AMER.  
7777 LEESBURG PIKE  
FIRST FLOOR  
FALLS CHURCH, VA 22043

SALESPERSON                      DATE OF 07/19/90

SHIP TO                     

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	COL P.P.	F.O.B. POINT	TERMS	YOUR ORDER NUMBER
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QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
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OFFICE RENTAL FOR THE MONTH  
OF JULY, 1990.

\$575.00

PHONE EQUIP. RENTAL FOR 7/90  
1 UNIT.

\$11.14

CREDIT JUNE PHONE USAGE FOR  
1 UNIT.

~~(\$11.14)~~

TOTAL

\$575.00

*Thank You*

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THE VIGUERIE COMPANY  
7777 LEESBURG PIKE  
FALLS CHURCH, VA. 22043  
(703) 358-0440

INVOICE 0021486

9044  
UNITED CONSERVATIVES OF AMER.  
7777 LEESBURG PIKE  
FIRST FLOOR  
FALLS CHURCH, VA 22043

SALESPERSON: DATE OF INVOICE: 08/08/90

SHIP TO:

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	C.O.D.	F.O.B. POINT	TERMS	YOUR ORDER NUMBER
QUANTITY	DESCRIPTION				UNIT PRICE	AMOUNT

OFFICE RENT FOR THE MONTH OF AUGUST, 1990.	\$575.00
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USAGE OF PHONE EQUIPMENT FOR THE MONTH OF AUGUST, 1990.	\$11.14
--	---------

USAGE OF WATTS LINES FOR THE MONTHS OF MARCH - AUGUST, 1990 3 60 MINUTES/MONTH AT A RATE OF \$.33 PER MINUTE.	\$118.80
--	----------

TOTAL

\$704.94

*Thank You*

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**THE VIGUERIE COMPANY**

7777 LEESBURG PIKE  
FALLS CHURCH, VA. 22043  
(703) 388-0440

**VOICE 0021842**

SALESPERSON \_\_\_\_\_ DATE OF INVOICE 09/28/90

SHIP TO \_\_\_\_\_

9044

UNITED CONSERVATIVES OF AMER.  
7777 LEESBURG PIKE  
FIRST FLOOR  
FALLS CHURCH, VA 22043

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	EQUIP.	F.O.B. POINT	TERMS	YOUR ORDER NUMBER
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QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
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	OFFICE RENT FOR THE MONTH OF SEPTEMBER, 1990		\$575.00
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	PHONE EQUIP. USAGE FOR 9/90.		\$11.11
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	HATTS USAGE FOR 60 MINUTES @ \$1.33 FOR SEPT. 1990.		\$19.98
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TOTAL

\$605.14

*Thank You*

97043794954

THE VIGUERIE COMPANY

7777 LEESBURG PIKE  
FALLS CHURCH, VA. 22043  
(703) 388-0440

INVOICE 0021843

SALESPERSON

DATE OF INVOICE  
09/28/90

SHIP TO

9044

UNITED CONSERVATIVES OF AMER.  
7777 LEESBURG PIKE  
FIRST FLOOR  
FALLS CHURCH, VA 22043

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	EXCISE	F.O.B. POINT	TERMS	YOUR ORDER NUMBER
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QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
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OFFICE RENT FOR THE MONTH OF  
OCTOBER, 1990.

\$575.00

PHONE EQUIP. USAGE FOR 10/90.

\$11.11

WATS USAGE FOR 10 MINUTES  
@ \$1.35 FOR OCTOBER, 1990

\$12.80

TOTAL

\$615.00

*Thank You*

97043794955



THE VIGUERIE COMPANY

7777 LEESBURG PIKE  
FALLS CHURCH, VA. 22043  
(703) 356-0440

INVOICE 0022055

9044  
UNITED CONSERVATIVES OF AMER.  
7777 LEESBURG PIKE  
FIRST FLOOR  
FALLS CHURCH, VA 22043

SALESPERSON: DATE: 11/10/90

SHIP TO:

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	EQUIP	FOR POINT	TERMS	YOUR ORDER NUMBER
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QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
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	OFFICE RENT FOR NOVEMBER, 1990		\$375.00
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	PHONE USAGE FOR NOVEMBER, 1990		\$11.14
--	--------------------------------	--	---------

	WATTS USAGE FOR NOVEMBER, 1990 60 MINUTES @ \$3.33/MIN		\$19.98
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TOTAL

\$406.12

*Thank You*

97043794956

**THE VIGUERIE COMPANY**

7777 LEESBURG PIKE  
FALLS CHURCH, VA. 22043  
(703) 358-0440

**VOICE 0022330**

9044  
UNITED CONSERVATIVES OF AMER.  
7777 LEESBURG PIKE  
FIRST FLOOR  
FALLS CHURCH, VA 22043

SALESPERSON \_\_\_\_\_ DATE OF INVOICE 12/01/90  
SHIP TO \_\_\_\_\_

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	COUPP	F.O.B. POINT	TERMS	YOUR ORDER NUMBER
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QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
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OFFICE RENT

OFFICE RENT FOR DECEMBER, 1990 \$575.00

PHONE USAGE FOR DECEMBER, 1990 \$11.24

WATS USAGE FOR DECEMBER, 1990 \$19.30

TOTAL

*Thank You*

97043794957

**THE VIGUERIE COMPANY**

7777 LEESBURG PIKE  
FALLS CHURCH, VA. 22043  
(703) 388-0440

**INVOICE** 0020899

TO:

9044  
UNITED CONSERVATIVES OF AMER.  
7777 LEESBURG PIKE  
FIRST FLOOR  
FALLS CHURCH, VA 22043

SALESPERSON

DATE OF INVOICE  
05/09/90

SHIP TO

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	COUPP FOR POINT	TERMS	YOUR ORDER NUMBER
-------------	--------------	-------------	-----------------	-------	-------------------

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
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MAY, 1990 OFFICE RENT

\$575.00

USAGE OF 2 PHONE SETS FOR 5/90

\$22.03

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*Thank You*

TOTAL

607.03

**THE VIGUERIE COMPANY**

7777 LEESBURG PIKE  
FALLS CHURCH, VA. 22043  
(703) 366-0460

**INVOICE 0021197**

TO: 9044  
UNITED CONSERVATIVES OF AMER.  
7777 LEESBURG PIKE  
FIRST FLOOR  
FALLS CHURCH, VA 22043

SALESPERSON DATE OF INVOICE  
06/14/90

SHIP TO

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	COL. P.P.	T.O.B. POINT	TERMS	YOUR ORDER NUMBER
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QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
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	OFFICE RENT FOR JUNE, 1990.		\$575.00
--	-----------------------------	--	----------

	USAGE OF PHONE EQUIPMENT 6/90.		\$22.28
--	--------------------------------	--	---------

TOTAL \$597.28

*Thank You*

97043794959



AGREEMENT  
BY AND BETWEEN  
THE VIGUERIE COMPANY  
AND

UNITED CONSERVATIVES OF AMERICA

THIS AGREEMENT made and entered into as of the 1st day of August, 1988, by and between THE VIGUERIE COMPANY (hereinafter referred to as TVC), and the UNITED CONSERVATIVES OF AMERICA (hereinafter referred to as the COMMITTEE).

WITNESSETH THAT:

WHEREAS, the COMMITTEE is an organization engaged in political, educational and reform activities in the United States; and

WHEREAS, the COMMITTEE is in need of counsel and assistance in conducting direct mail solicitation of contributions to support their activities; and

WHEREAS, the Parties are desirous that TVC should provide counsel and assistance to the COMMITTEE in direct mail solicitations of contributions.

NOW THEREFORE, in consideration of the premises and the mutual covenants and promises herein contained, the Parties hereto do hereby agree as follows:

Section 1. AGREEMENT. The COMMITTEE hereby retains TVC as its consultant, advisor and direct mail advertising and marketing agency in the COMMITTEE's efforts to acquire supporters, donors, and generally educate the public to its activities.

These efforts include the creation of a new UCA/TVC contributor file (hereinafter referred to as the NEW UCA/TVC HF) through the mailing of prospect letters by TVC, on behalf of the

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COMMITTEE, as hereinafter set forth.

Section 2. SERVICES. TVC agrees to do the writing, the securing of mailing lists, printing, production and mailing of all letters. COMMITTEE and TVC will determine which lists will be used for the mailings, the quantity of said lists, the class and type of postage and type of letter that will be used, and when such letter will be mailed.

Section 3. SUPPLIERS. TVC affiliates shall have the right to perform list brokerage and management work as generated under this Agreement. TVC shall have the right to choose data processing and computer work suppliers that are required to meet the terms of this agreement. There shall be no TVC markup on suppliers' or subcontractors' invoices billed to client, except as described more fully in Section 4.

In addition, all services provided to COMMITTEE by TVC, its affiliates or subcontractors shall be billed directly to COMMITTEE, and payable by COMMITTEE upon receipt of invoices for said services without exception; and that neither TVC nor its affiliates shall be responsible for the payment of such services.

Section 4. POSTAGE, INVOICE PAYMENT AND ESCROW ACCOUNT. COMMITTEE agrees to pay all postage money in advance of any mailing made under this agreement. COMMITTEE further agrees to pay all invoices for all costs incurred in performing the services under this Agreement when due, such payments due upon receipt of said invoices.

TVC and affiliates will charge interest at the rate of 1 and 1/2 per cent per month on the unpaid balance of invoices over 30

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days old from date of the invoices. TVC has no obligation to perform services under this Agreement if any invoice remains unpaid after 45 days.

COMMITTEE further agrees that all income from the direct mail fundraising program shall be received by an escrow agent mutually agreed to by TVC and COMMITTEE, and that such funds shall be placed in an account called an Escrow Account.

All funds withdrawn from this Escrow Account shall be mutually agreed upon by TVC and COMMITTEE. Escrow Agent may not withdraw or disburse funds for any purpose whatsoever unless agreed to by both TVC and COMMITTEE. Any disputed funds shall be held by Escrow Agent until agreement for disposition of funds is resolved.

The Escrow Agent shall provide TVC and COMMITTEE with an accounting of all funds withdrawn and paid from the Escrow Account both monthly and upon request by either party to this agreement, at the expense of COMMITTEE.

Section 5. MAILING FEES. COMMITTEE, in consideration of TVC's services, shall pay to TVC a flat retainer of Three Thousand and Five Hundred Dollars (\$3,500.00) per month commencing with the first day of August, 1988 and until the end of this agreement.

Above fee covers all services provide for both housefile and prospect mailings, as well as general informational mailings covering the Committee's activities.

Section 6. LIST RENTAL FEE. COMMITTEE agree to pay TVC and/or its affiliates a list rental fee of 000.00 for each thousand names and addresses from TVC's mailing lists; and agree

to pay directly all additional brokerage fees and list rentals to outside brokers and suppliers as outlined in this agreement and which may be utilized in performance of this agreement.

9 7 0 4 3 7 9 4 9 6 3

Section 7. LIST OWNERSHIP. It is expressly understood, covenanted and agreed by and between the Parties hereto that any and all names and addresses and the records of the amounts contributed, if any, of persons which are obtained, developed, compiled or otherwise acquired for COMMITTEE, by or through the direct or indirect effort of TVC in connection with any services rendered by TVC to COMMITTEE pursuant to the terms hereof shall at all times be and constitute the property solely and exclusively of TVC and COMMITTEE and to be used at any time by TVC in any manner, for any purpose for its own account and on behalf of any such parties as TVC shall from time to time determine, and to be used by COMMITTEE during the terms hereof only for the purpose herein permitted. It is further covenanted and agreed by the Parties hereto that COMMITTEE shall not, at any time during the life of this agreement or after expiration thereof, use said names and addresses for the purposes other than in connection with COMMITTEE's own operations. COMMITTEE shall not at any time during the term hereof or thereafter sell, exchange, rent, or otherwise make available any or all of said names, addresses to any other parties for any purpose whatsoever. However, TVC shall be free to use these names and addresses in any way it so desires and for any purpose it may determine.

Section 8. DATA PROCESS, COMPUTER OPERATIONS. For security reasons, any computer work COMMITTEE desires to have done with



any names and addresses developed as a result of this Agreement, must be done at a facility or affiliate designated by TVC during the term of this Agreement and for three (3) years thereafter.

Section 9. RESPONSES AND REPORTING. TVC requires daily, from COMMITTEE, results of mailings and activities as performed under this agreement, to include but not limited to the number of contributors, number of non-donors, dollar amounts collected and tabulated, survey responses, and other such information as TVC deems necessary.

COMMITTEE also agrees to provide to TVC or its affiliates within 10 days the actual names and address of such donors or non-donors or other information outlined above as necessary to update the NEW TVC/UCA HF.

In addition, COMMITTEE agrees to report such donor information and monetary activities to the Federal Election Commission or any other governmental agency as required by law, and that TVC is neither allowed by law or obligated under this agreement to provide such information in COMMITTEE's name.

Section 10. OWNERSHIP OF MATERIALS. The Parties agree that all materials, packages and/or ideas of techniques developed and prepared by TVC for and on behalf of COMMITTEE shall be and remain the sole property of TVC. During the term of the Agreement and thereafter, such materials may be used only with the prior written consent of TVC and by paying TVC a fee of Five Cents (\$0.05) for each piece mailed. This provision does not extend to mailing packages developed exclusively by COMMITTEE.

Section 11. TERM OF AGREEMENT. This agreement shall remain in effect from the 1st day of August, 1966 to the 1st day of

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August, 1991, or until all invoices incurred under this agreement have been paid, whichever occurs last.

Either party can cancel this Agreement with 30 days written notice to the other. It is expressly understood and agreed upon that after this contract is terminated or expires, Sections 7, 8 and 10 shall survive such termination and remain binding upon the Parties. This Agreement may be continued under the terms for any specified period of time upon written agreement of both Parties.

Section 12. CHANGES OR AMENDMENTS TO THIS AGREEMENT. No change or amendment to this Agreement shall be effective unless authorized in writing by a corporate officer of TVC and the Treasurer of COMMITTEE.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement upon the day and year first above written.

WITNESS

BY Charles W. Magee  
DATE 2/28/90

WITNESS

BY [Signature]  
DATE 2/28/90

THE VIGUERIE COMPANY

Arl Burt  
Vice President

UNITED CONSERVATIVES  
OF AMERICA

[Signature]  
Treasurer

97043794965

ESCROW AGREEMENT

This ESCROW AGREEMENT, made this 9th day of March, 1990, by and between BULK MAILING & ADDRESSING ("BMA"), THE VIGUERIE COMPANY ("TVC"), and ASSOCIATION GROWTH ENTERPRISES, INC. ("AGENT"), on behalf of United Conservatives of America (UCA),

WITNESSETH:

WHEREAS, from time to time TVC shall place a purchase order to purchase from BMA certain direct mail services ("THE PROGRAMS") upon terms and conditions more fully set forth therein, and

WHEREAS, the parties desire that all funds received as a result of THE PROGRAMS be received by AGENT in accordance with the terms hereof,

NOW, THEREFORE, in consideration of the premises, and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. All funds received as a result of THE PROGRAMS run by TVC on behalf of UCA ("THE FUNDS") shall be held by AGENT and disbursed in accord with the terms and provisions hereof.

2. TVC agrees to provide AGENT with a list of all mailcodes related to each of THE PROGRAMS to allow AGENT to properly identify and restrict THE FUNDS. These mail codes are 81Q and 81R, UCA House file mailing.

3. AGENT shall promptly disburse from THE FUNDS according to the following:

Following the mail drop of the job, the Escrow AGENT will disburse at the end of each week any and all money returns on the job according to a 75/25 split, Prince Lithograph receiving 75% and BMA receiving 25%.

When an invoice has been paid in full, subsequent funds generated from that job will be freed by AGENT to be disbursed per original client contract.

4. AGENT shall provide TVC and BMA a weekly written statement of all monies received and disbursed by AGENT until BMA is paid in full, in reference to item three (3) of this agreement.

5. The compensation of AGENT shall be established by TVC and AGENT's fees for lockbox and escrow services it performs under THE PROGRAMS notwithstanding any other provision of this Agreement, shall be deducted from the Funds after invoicing TVC of such lockbox and escrow services.

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6. Provided that the AGENT shall hold and administer THE FUNDS in accordance with the terms of this agreement, TVC and BMA do hereby hold AGENT harmless from and against any claim or demand made against AGENT by reason of the delivery of monies to AGENT.

7. No party may assign or delegate its rights and/or obligations under this agreement without express written consent from the other parties.

8. This agreement shall be terminated upon payment in full of all outstanding BMA invoices for THE PROGRAMS (on behalf of UCA) received by AGENT.

9. All notices required hereunder shall be in writing, hand-delivered or mailed by certified mail, return receipt requested, to the parties, as follows:

if to BMA:

Mr. Paul Ort  
Bulk Mailing & Addressing  
P.O. Box 809  
10621-B Iron Bridge Rd.  
Savage, MD. 20763

if to TVC:

Mr. Bob Garvey  
The Viguerie Company  
7777 Leesburg Pike, Suite 400-S  
Falls Church, VA 22043

if to AGENT:

Mr. John May  
Association Growth Enterprises, Inc.  
4700 Stamp Road, Suite "J"  
Temple Hills, MD 20748

10. TVC and/or BMA shall be entitled to inspect all financial records of AGENT with respect to the receipts and disbursements as may relate to this agreement at such reasonable times as TVC and/or BMA may request.

11. This agreement may only be amended in writing, signed by all parties hereto. The failure of any party hereto to exercise any of its rights, either in law or equity, shall not constitute or be deemed a waiver by such party of any subsequent or other default hereunder.

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*AB Jan*



IN WITNESS WHEREOF, each of the parties hereto have caused this agreement to be executed and delivered as of the day and year first above written.

ATTEST:

By: Barbara K. Ort  
Date: 3/14/90

BULK MAILING & ADDRESSING:

By: Paula Scott  
Date: 3/14/90 (Seal)

ATTEST:

By: Robert J. Samy  
Date: 3/14/90

THE VIGUERIE COMPANY:

By: Jack Burt  
Date: 3/13/90 (Seal)

ATTEST:

By: Don Schaefer  
Date: 3-16-90

ASSOCIATION GROWTH ENTERPRISES, INC.

By: John P. m.  
Date: 3-16-90 (Seal)

ATTEST:

By: Robert J. Samy  
Date: 3/19/90

UNITED CONSERVATIVES OF AMERICA

By: Samuel  
Date: 3/19/90 (Seal)

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PROMISSORY NOTE

\$186,670.35

Falls Church, Virginia  
June 9, 1992

FOR VALUE RECEIVED, the undersigned, UNITED CONSERVATIVES OF AMERICA (the "Borrower"), hereby promises to pay to the order of AMERICAN MAILING LISTS CORPORATION whose address is 7777 LEESBORO PIKE - #4003, FALLS CHURCH, VA. 22043 ("Noteholder") or at such other place as the Noteholder hereof may from time to time designate in writing, the principal sum of ONE HUNDRED EIGHTY-SIX THOUSAND SIX HUNDRED SEVENTY AND 35/100 DOLLARS (\$186,670.35), with interest thereon on the outstanding balance of principal at a rate per annum equal to five percent (5%) (the "Interest Rate").

Interest, principal and all other sums payable hereunder shall be payable in lawful money of the United States of America which shall be legal tender in payment of all debts and dues, public and private, at the time of payment, and shall be due and payable as follows:

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- (a) Monthly installments of principal and interest in the minimum amount of Two Hundred Fifty Dollars (\$250.00) shall be payable on the first of each month commencing July 1, 1992. Noteholder shall credit against the principal and interest due hereunder all sums received by Noteholder pursuant to that certain List Management Agreement, as amended, between Borrower and Chester Mailing List Consultants, Inc. dated as of December 31, 1991.
  - (b) Unless sooner paid in full, the entire balance of principal advanced and remaining unpaid together with accrued interest, shall be due and payable in full on the last day of the Twenty-fourth (24th) month after the date hereof, (the "Maturity Date").
  - (c) All payments made under this Note shall be applied first on account of costs of collection, next to late charges (if any), next to interest accrued (if any), and the balance to the reduction of principal.

For purposes of computing interest on the debt evidenced hereby, interest shall be charged on the basis of the actual number of calendar days that the principal amount advanced remains unpaid to the Noteholder.

The Borrower reserves the right to prepay the principal indebtedness at any time without penalty, fees, premium or notice.

In the event any of the principal and/or interest is not paid within fifteen (15) days after the due date thereof, or after the extension date as specified by consent of Noteholder, a "late charge" of five cents (\$0.05) for each

dollar so overdue may be charged by the Noteholder of this Note for the purpose of defraying the expense incident to handling such delinquent payment.

It is hereby agreed that if a default be made in the payment of principal as above provided, then in any or all such events, the entire amount of the principal of this Note, with all interest then accrued shall, at the option of the Noteholder, become and be immediately due and collectible, time being of the essence of this obligation.

If any term or provision of this Note or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Note, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Note shall be valid and enforced to the fullest extent permitted by law.

In the event, after default, counsel is employed by the Noteholder to collect this obligation or to protect the security hereof, Borrower hereby agrees to pay the reasonable attorney's fees so incurred by Noteholder whether or not suit be brought, and all other costs and expenses reasonably connected with collection.

The validity and construction of this Note and all matters pertaining thereto are to be determined and construed according to the laws of the State of Virginia.

Demand, presentment, notice of dishonor, protest and the benefit of homestead exemptions and all defenses and pleas on the ground of any extension or extensions of time of payment or of the due date of this Note, in whole or in part, before or after maturity, with or without notice, are hereby waived by the Maker and all sureties, guarantors and endorsers hereof.

This Note shall be the joint and several obligation of Maker and all sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns.

Repayment of this Note is secured by the pledge by the Borrower of the Borrower's Masterfile and other collateral as more particularly described in that certain Security Agreement between Borrower and Noteholder of even date herewith.

ATTEST:

UNITED CONSERVATIVES OF AMERICA

Earl H. Christ

By: Edna M. M.

bah/kd  
viguerie  
6/9/92

SECURITY AGREEMENT

THIS AGREEMENT made as of the 9<sup>th</sup> day of JUNE, 1992, by and between UNITED CONSERVATIVES OF AMERICA, a Virginia corporation (hereinafter referred to as "Debtor"), and American Mailing Lists Corporation (hereinafter referred to as the "Secured Party").

WITNESSETH:

WHEREAS, Debtor owes to Secured Party for services rendered by Secured Party the sum of One Hundred Eighty Six Thousand Six Hundred Seventy and 35/100 Dollars (\$186,670.35) and

WHEREAS, Debtor has on this date executed Debtor's Promissory Note in the principal amount of One Hundred Eighty Six Thousand Six Hundred Seventy and 35/100 Dollars (\$186,670.35) payable to the order of and delivered to Secured Party (the "Note"); and

WHEREAS, the Secured Party desires that payment of the Note be secured by the pledge by Debtor of all Debtor's right, title and interest in and to the Debtor's list of names, addresses and contributor history of persons who have contributed or responded to Debtor in response to mailings performed by or for Debtor, together with monthly updates thereof (the "List") and the grant of a security interest therein to Secured Party pursuant to the Uniform Commercial Code as enacted under the laws of the Commonwealth of Virginia (the "UCC") wherein the Debtor is incorporated.

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NOW, THEREFORE, in consideration of the premises and of One Dollar (\$1.00) and other valuable consideration paid by each party to the others, receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Debtor acknowledges that it is presently the Owner of the List free and clear of all liens and claims thereto by third parties and that it has the full right and power to assign and transfer to the Secured Party a security interest in the List.

2. As security for payment of all principal, interest and other sums payable under the Note, Debtor hereby grants to the Secured Party a security interest under the UCC in all of the Debtor's right, title and interest in and to the List and all updates thereto, as well as a list of the customers who have rented the List or a portion thereof within the preceding twelve (12) months as well as monthly updates of such customer list (all of which shall be included in the term "Collateral" as used herein). To perfect such security interest, Debtor has delivered to Secured Party a copy of the List and the aforesaid customer list and agrees to update the List and the aforesaid customer list on a monthly basis during the term of this Agreement.

3. The Debtor agrees that in the event of a Default (as defined in the Note), such Default shall constitute a default in this Security Agreement, entitling the Secured Party to exercise any and all rights and remedies herein provided, or provided under the UCC or any other applicable law, in addition

to any other rights and remedies provided in said Note or in any other instrument evidencing or securing said indebtedness. All said rights and remedies of the Secured Party hereunder are cumulative, and may be exercised either concurrently or independently and in such order as the Secured Party shall determine in its sole and absolute discretion.

4. The following provisions shall apply to the Collateral referred to in Paragraph 2 hereinabove:

(i) Upon the occurrence of a Default (as defined in the Note) remaining uncured beyond any applicable grace periods, then and in such event the Secured Party may sell all of the Collateral (or such portion thereof as it may deem necessary to pay the balance of the Note and interest accrued thereon and other sums payable thereunder) at public or private sale(s), on at least fifteen (15) days' prior written notice of such sale(s) to the Debtor (and in case of default of any purchaser at any such sale, to resell said Collateral at public or private sale upon at least ten (10) days prior written notice to Debtor), and to apply the proceeds of any such sale to the payment of any expenses incident thereto, next to the payment of accrued interest and the balance, if any, shall be applied to the principal indebtedness of said Note. The balance of such sale proceeds, if any, remaining after the aforesaid payments shall be paid to the Debtor. It is expressly agreed that the Secured Party may be the purchaser at

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such sale of the whole or any part of the Collateral, free from any right or equity of redemption, such right or equity of redemption being hereby expressly waived and released by Debtor. Upon any such Default, and in the event the proceeds of any such sale shall be insufficient to pay said costs and expenses and all of the indebtedness aforesaid, Debtor hereby covenants and agrees to pay any such deficiency promptly on demand, with interest thereon at the rate of interest provided in the Note. The rights and remedies reserved to the Secured Party herein upon a Default shall be without prejudice or limitation upon any other remedy available to Secured Party at law, in equity or otherwise, and shall not preclude the Secured Party from exercising any remedies which it may have against the Debtor; it being the intention hereof that Secured Party shall have the right to exercise any and all remedies available to it successively, or concurrently, and in such order as Secured Party may determine. In addition to the foregoing rights and remedies, the Secured Party shall have the right to hold the Collateral as the owner thereof and to rent, transfer, exchange and hypothecate the Collateral from time to time in any manner and upon such terms as are determined by Secured Party and all proceeds from such uses of the Collateral shall be applied against the sums due from Debtor to Secured Party. In the event of a default hereunder,

Debtor agrees to deliver to Secured Party all copies of the List then in Debtor's possession or the possession of any agents or contractors of Debtor. Secured Party agrees that in such event, Debtor shall have the absolute right to rent from Secured Party, all or any portion of the List as selected by Debtor, upon normal and customary commercial rates for the rental of such selected portion of the List.

(ii) In the event any litigation should be instituted by or against the Debtor, by or against any party or parties now or hereafter secured hereby, involving this agreement or any matter or thing arising hereunder or affecting the Collateral, in which litigation the Secured Party shall be made a party, then and in any such event the Secured Party shall be reimbursed by Debtor for all costs and expenses of every nature whatever, including court costs and reasonable attorney's fees, paid and/or incurred by it, such reimbursement to be a charge and a lien against all of the aforesaid Collateral. The Secured Party shall have no liability hereunder except for willful fraud.

(iii) Upon payment in full of the Note secured hereby and discharge of all other obligations of Debtor hereunder, the Secured Party shall deliver to the Debtor a Termination Statement terminating this Security Agreement.





IN WITNESS WHEREOF, the parties hereto have hereunto  
set their hands and seals the day and year first above written.

DEBTOR:

UNITED CONSERVATIVES OF AMERICA

By: Robert M. H.

SECURED PARTY:

AMERICAN MAILING LISTS CORPORATION

By: Robert M. H. (SEAL)

bah/kd  
viguerie  
6/8/92

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FIRST AMENDMENT TO LIST MANAGEMENT AGREEMENT

This First Amendment to List Management Agreement is made this 9<sup>th</sup> day of June, 1992 by and among United Conservatives of America ("UCA"), Chester Mailing List Consultants, Inc. ("CMLC") and American Mailing Lists Corporation ("AMLC").

WITNESSETH:

WHEREAS, UCA AND CMLC are parties to that certain List Management Agreement dated as of December 31, 1991 (the "Agreement"); and

WHEREAS, UCA, owes certain monies to AMLC and AMLC was to be paid from the proceeds of the rental of the UCA Masterfile as more particularly set forth in the Agreement; and

WHEREAS, UCA is presently unable to service the AMLC debt and has requested certain relief in repaying such debt; and

WHEREAS, AMLC, UCA and CMLC desire to modify and amend the Agreement to provide such relief pursuant to the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, receipt of which is acknowledged by the parties hereto, the parties hereby agree to amend the Agreement as follows:

1. Compensation.

Article III, Section 4 is hereby modified to provide that the fifty percent (50%) of the List Owner Share paid to AMLC is hereby waived and of no force and effect from the date hereof through August 15, 1992 (and the Owner shall be entitled to receive such fifty percent (50%) share during such period). As of August 15, 1992, AMLC shall receive seventy-five percent (75%) of the List Owner Share and the Owner (as defined in the Agreement) shall not be entitled to any portion of the List Owner Share. The foregoing modification shall remain in effect until such time as all past due amounts due AMLC (presently the sum of \$186,670.35) have been paid in full.

2. AMLC Debt.

UCA acknowledges and agrees that as of May 17, 1992 it owed AMLC \$186,670.35. In order to evidence such debt UCA has agreed to execute the promissory note attached hereto as Exhibit "A". In consideration of (i) AMLC agreeing to forbear from collecting on said debt at this time and (ii) AMLC

*Orz*

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consenting to the modification of the Agreement contained herein (permitting UCA to receive certain monies AMLC would otherwise be entitled to under the Agreement), UCA agrees to execute the Security Agreement and Financing Statement attached hereto as Exhibits B and C granting AMLC a security interest in the UCA Masterfile.

3. Ratification.

Except as modified and amended herein, the Agreement shall be and remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed as of the day and year first written above.

UNITED CONSERVATIVES OF AMERICA

By: Robert G. Mills  
Robert G. Mills

CHESTER MAILING LIST CONSULTANTS, INC.

By: Earl F. Chester, President 6/8/92  
Earl F. Chester, President

AMERICAN MAILING LISTS CORPORATION

By: Richard D. Quinn

bah/kd  
vig  
6/8/92



## ESCROW AGREEMENT

THIS ESCROW AGREEMENT, is made this 8<sup>th</sup> day of March, 1990, between:

1. Association Growth Enterprises, Inc. (hereafter "Escrow Agent") and
2. The Viguerie Company, Inc. (hereafter "Agency") and
3. United Conservatives of America (hereafter "Client"),

for the purpose of depositing, holding and disbursing funds in connection with Client's direct mail fundraising program.

In consideration of the declarations and the mutual covenants and agreements of the parties herein, it is hereby agreed as follows:

### I. CREATION OF THE ESCROW FUND

A. Accumulation of the Escrow Fund: Agency and Client hereby agree that returns from direct mail fund raising programs shall be received by Escrow Agent, and cash collections shall be deposited by Escrow Agent to an account known as the Escrow Fund.

B. Declaration: Escrow Agent hereby declares that with respect to any monies which it may receive constituting the Escrow Fund, it shall hold and disburse such monies solely for the uses and purposes set forth in this Escrow Agreement.

C. Earned Dividends and Interest: All earned dividends and interest, if any, ascertained and apportioned to the Escrow Fund shall be used to increase the balance of the Escrow Fund.

### II. APPLICATION OF THE ESCROW FUND

All monies received by Escrow Agent pursuant to the terms hereof shall be held in escrow for the purposes for which received and shall be segregated from any other funds. Escrow Agent shall not be liable for interest on any monies received by it hereunder nor shall Escrow Agent be required to invest such monies so as to produce income for the Escrow Fund. The Escrow Fund shall be disbursed for the following purposes:

1. To pay postal charges of the United States Postal Service for Client's Business Reply Mail.
2. To pay the fees of Escrow Agent for lockbox and escrow services.
3. To pay the invoices of Client's direct mail fundraising program, including invoices of Agency, in accordance with the original contract between Agency and Client.
4. To distribute net monies, in such amounts and to such persons or organizations, as approved by Agency and Client.

### III. ADMINISTRATION OF THE ESCROW FUND

A. Powers of Escrow Agent: In addition to powers conferred upon Escrow Agent either expressly by, or by necessary implication of, the other provisions of this Agreement, Escrow Agent shall have such other powers, not inconsistent with law or equity, as may be necessary and proper to maintain the integrity of the Escrow Fund, and to attain the objectives of this Agreement.

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**B. Records and Reports:** Escrow Agent shall keep at its place of business, true and accurate records of all transactions pertaining to the Escrow Fund. Escrow Agent shall, monthly or more often in either Agency's or Client's discretion provide to Agency and/or Client an accounting of the Escrow Fund, setting forth all transactions affecting the Escrow Fund during the accounting period.

**C. Disputes.** In the event of any dispute with respect to disposition of all or part of the Escrow Fund, Escrow Agent shall not be obligated to disburse the disputed portion thereof nor shall Escrow Agent be required affirmatively to commence any action against Client or Agency, or defend any action that a creditor might bring. In its sole discretion, Escrow Agent may, in the event of a dispute as to the disposition of all or part of the Escrow Fund, commence an action in a nature of interpleader and seek to deposit the disputed portion in a Court of Competent Jurisdiction.

#### **IV. COMPENSATION AND EXPENSES**

**A.** The compensation of Escrow Agent shall be established by Agency and Escrow Agent. Escrow Agent's fees for lockbox and escrow services it performs, notwithstanding any other provision of this Agreement, shall be deducted from the Escrow Fund after invoicing Client, in care of Agency, of such lockbox and escrow services.

**B.** In the event that any tax or assessment shall be levied upon the Escrow Fund or any portion thereof, or upon Escrow Agent by reason of the existence of the Escrow Fund, such tax or assessment shall be deducted from the Escrow Fund, notwithstanding any other provision of this Agreement, after notifying Agency and Client, in writing, of such tax or assessment.

#### **V. INDEMNIFICATION**

Agency and Client agree to indemnify, defend, and hold Escrow Agent harmless from and against any and all claims, suits, actions, liability, loss, expense, or damage which Escrow Agent, its directors, officers, agents, or employees may sustain due to or arising out of any act or failure to act by either Agency or Client, its affiliates, officers, agents, representatives, or employees in violation of this Agreement or in violation of any applicable law, rule, or regulation provided that Escrow Agent has not contributed to or knowingly compounded such act or failure to act. The provisions of this paragraph shall survive the termination of this Agreement.

#### **VI. TERMINATION**

This Agreement may be terminated by any party hereto upon not less than ~~ninety (90)~~ <sup>Sixty (60)</sup> days prior written notice to the other parties. Upon termination of the Escrow Fund, Escrow Agent shall apply the funds to pay any and all obligations of the Escrow Fund, and distribute the funds in accordance with the written instructions of Agency and Client.

#### **VII. GENERAL PROVISIONS**

**A. Applicable Law.** This Agreement shall be construed and governed by the laws of the State of Maryland, U.S.A.

**B. Consent to Jurisdiction.** Agency and Client absolutely and irrevocably agree and consent to the exclusive jurisdiction of the circuit or district court of Prince Georges County, Maryland, for any litigation arising from controversy directly or indirectly related to this Agreement.

**C. Parties in Interest.** Except as otherwise expressly provided herein, all the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of, and shall be enforceable by the respective successors of the parties hereto.

**D. Headings.** The paragraph headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

*J. M.*

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E. Entire Agreement. This Agreement contains the entire understanding of the parties with respect to this subject matter. This Agreement supersedes all prior agreements and understandings between the parties with respect to its subject matter. This Agreement may be amended only by a written instrument duly executed by the parties or by their respective successors or assigns.

F. Other Agreements. Escrow Agent shall not be bound by any agreement between Agency and Client of which it has no knowledge as of the date of this Escrow Agreement. Nor shall Escrow Agent be required to determine the amount or validity of any claim made against the Escrow Fund.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Agreement date stated above, to be effective as of said date.

CLIENT

Robert G. Mills

(Authorized Signer)

Robert G. Mills Acting Executive Director

(Name and Title - Print or Type)

Bob Hawley

(Witness)

AGENCY

Sandra Butler

(Authorized Signer)

Sandra Butler Vice President

(Name and Title - Print or Type)

Bob Hawley

(Witness)

ESCROW AGENT

John P. May

(Authorized Signer)

John P. May - President

(Name and Title - Print or Type)

Thomas L. Pacinis

(Witness)

3/8/90

AMERICAN MAILING LISTS CORPORATION  
 7777 LEESBURG PIKE  
 FALLS CHURCH, VA. 22043

## STATEMENT OF ACCOUNT

Page: 1

UNITED CONSERVATIVES OF  
 AMERICA  
 300 EYE ST., N.E. #3B

WASHINGTON DC 20002

Phone : (202) 546-8107  
 Account No.: 9044

Date : 12/08/93

For Mailer: UNITED CONSERVATIVES OF AMERICA

Amount Paid: \$ \_\_\_\_\_

Return One Copy With Your Remittance

Mail Date	Payment Date	Client PO	Invoice #	List Name	Charges	Payat/Credit	Balance
08/29/88		NONE	50026	THE VIGUERIE COMPANY'S BEST DONORS	1833.03		
					1833.03		3666.06
09/04/89		NONE	52303	KEMP FOR PRESIDENT	3508.24		
	09/30/89				6027.82	6027.82	
	04-05-93					500.00	
							3008.24
09/22/89		NONE	52311	FEDERATION FOR AMERICAN IMMIGRATION REFORM	2264.16		
	08-31-92					405.00	
							1359.16
09/04/89		NONE	52375	DONORS TO A CONSERVATIVE YOUTH GROUP	2034.15		
	04-05-93					440.00	
	04-05-93					45.00	
	05-04-93					232.49	
	05-04-93					678.51	
							638.15
09/11/89		NONE	52483	MACPAC DONORS	1375.00		
							1375.00
09/18/89		NONE	52486	COUNCIL FOR NATIONAL DEFENSE	3855.00		
							3855.00
09/11/89		NONE	52488	AMERICAN DEFENSE LEAGUE	2539.00		
							2539.00
09/13/89		NONE	52490	FREE ASIA FOUNDATION	1509.90		
							1509.90
09/22/89		NONE	52499	TAXPAYERS AGAINST STATE FUNDED ABORTIONS	4042.32		
	03/25/92					381.50	
	04/05/92					865.44	

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## STATEMENT OF ACCOUNT

Page: 2

UNITED CONSERVATIVES OF  
AMERICA  
300 EVE ST., N.E. #3B  
WASHINGTON DC 20002

Phone : (202) 546-8107  
Account No.: 9044

Date : 12/08/93

For Mailer: UNITED CONSERVATIVES OF AMERICA

Amount Paid:\$ \_\_\_\_\_

Return One Copy With Your Remittance

Mail Date	Payment Date	Client PO	Invoice #	List Name	Charges	Paymt/Credit	Balance
	04-20-93					354.00	
	05-04-93					971.96	
							369.42
09/18/89	NONE		52501	PRAYER IN SCHOOL	1723.90		
	03-23-93					265.56	
	04-05-93					500.00	
	05-04-93					143.54	
							814.60
09/22/89	NONE		52503	REPUBLICAN DONORS TO FEDERAL CAMPAIGNS	6201.08		
	03-25-93					435.00	
	04-05-93					500.00	
							5266.08
09/18/89	NONE		52504	CHRISTIAN VOICE	2450.00		
							2450.00
09/18/89	NONE		52521	AMERICANS FOR NUCLEAR ENERGY	1386.71		
	05/20/90					1119.37	
							267.34
03/18/89	NONE		52525	NATIONAL ALLIANCE OF SENIOR CITIZENS	3151.75		
							3151.75
09/18/89	NONE		52742	TVC M/F SELECTS (2)	5059.10		
							4159.10
12/22/89	NONE		53102	TUC CAT HEALTH DONORS	2138.62		
							2138.62
12/22/89	NONE		53103	FIN CAT HEALTH DONORS	611.24		
							611.24
12/18/89	NONE		53104	HEALTH HOTLINE/SENIORS FOR FAIR HEALTH CARE	50.00		
							50.00

97043794984

## STATEMENT OF ACCOUNT

Page: 3

UNITED CONSERVATIVES OF  
AMERICA  
300 EYE ST., N.E. #3B

Phone : (202) 546-8107  
Account No.: 9044

Date : 12/08/93

WASHINGTON DC 20002

For Mailer: UNITED CONSERVATIVES OF AMERICA

Amount Paid: \$ \_\_\_\_\_

Return One Copy With Your Remittance

Mail Date	Payment Date	Client PO	Invoice #	List Name	Charges	Paymt/Credit	Balance
12/28/89	NONE		53105	THE VIGUERIE COMPANY'S BEST DONORS	161.33		161.33
12/21/89	NONE		53112	CDFA H/F	393.87		393.87
02/02/90	NONE		53412	HEALTH HOTLINE/SENICHS FOR FAIR HEALTH CARE	64.16		64.16
02/02/90	NONE		53413	THE VIGUERIE COMPANY'S BEST DONORS	307.20		307.20
03/19/90	02/23/90	NONE	53651	NAT'L INSTITUTE OF BUSINESS MANAGEMENT INC	542.50	560.00	-17.50
03/23/90	02/23/90 05-04-93	NONE	53658	NEW AMERICAN STUDIES CENTER	525.00	600.00 -60.00	-15.00
03/19/90	02/23/90	NONE	53659	CITIZENS FOR COMMON SENSE	477.50	488.00	-10.50
03/19/90	02/23/90	NONE	53660	NATIONAL CENTER FOR LEGISLATIVE RESEARCH	510.00	510.00	-10.00
03/23/90	05/24/90	NONE	53664	PHILLIPS DIRECT MAIL SOLD SUBSCRIBER MEGA FIL	333.35	316.38	71.97
05/17/90	NONE		54077	TVC M/F	21430.96		21430.96

97043794985

## STATEMENT OF ACCOUNT

Page: 4

UNITED CONSERVATIVES OF  
AMERICA  
300 EYE ST., N.E. #3B  
WASHINGTON DC 20002

Phone : (202) 546-8107  
Account No.: 9044  
Date : 12/08/93

For Mailer: UNITED CONSERVATIVES OF AMERICA

Amount Paid: \$ \_\_\_\_\_

Return One Copy With Your Remittance

Mail Date	Payment Date	Client PO	Invoice #	List Name	Charges	Paymt/Credit	Balance
11/26/90	10/11/90 11/26/90	NONE	55189	JEFFERSON EDUCATIONAL FOUNDATION		580.56 -580.50	- .06
01/16/91		NONE	55889	VIGUERIE VETERANS DONORS	1312.50		1312.50
02/03/91		NONE	55890	VIGUERIE VETERANS DONORS	3150.00		3150.00
04/08/91	05/13/91 05/31/91	NONE	55958	RETIRED AMERICAN LEGISLATIVE LOBBY	1047.04	840.00 200.00	7.04
04/15/91		NONE	55978	PERSIAN GOLF DONORS	800.00		800.00
05/28/91		NONE	56011	TEL/SENIORS COALITION	2200.00		2200.00
05/03/91	05/17/91	NONE	56018	ABRAHAM LINCOLN FEN	75.90 105.00	75.90	105.00
05/03/91	05/27/91 05/30/91	NONE	56019	CONSERVATIVE COUNCIL ACTIVES/NON IVC	79.38 105.00	79.38 54.25	40.75
04/29/91		NONE	56023	RETIRED AMERICAN LEGISLATIVE LOBBY	4894.80		4894.80
06/03/91		NONE	56045	AMERICAN IMMIGRATION CONTROL FOUNDATION	105.00		

97043794986

## STATEMENT OF ACCOUNT

Page: 5

UNITED CONSERVATIVES OF  
AMERICA  
300 EYE ST., N.W. #3B

Phone : (202) 546-8107  
Account No.: 9044

WASHINGTON DC 20002

Date : 12/08/93

For Mailer: UNITED CONSERVATIVES OF AMERICA

Amount Paid: \$ \_\_\_\_\_

Return One Copy With Your Remittance

Mail Date	Payment Date	Client PO	Invoice #	List Name	Charges	Paymt/Credit	Balance
	06/27/91				78.52	78.52	105.00
05/27/91	NONE		55064	HELMS FOR SENATE (1990 RACE)	125.00		
	06/27/91				38.52	38.52	105.00
06/03/91	NONE		55084	HELIX #106/CHARITABLE AND HUMANITARIAN APPEAL	105.00		
	06/27/91				87.80	87.80	105.00
05/27/91	NONE		55090	NEW RIGHT DONOR FILE	475.57		475.57
05/27/91	NONE		55091	AMERICAN DEFENSE LOBBY	525.57		525.57
06/24/91	NONE		55092	CONSERVATIVE NATIONAL DEFENSE	540.00		
	03-23-93					540.00	
	04-25-93					-440.00	440.00
05/24/91	NONE		55114	SECURITY AND INTELLIGENCE	105.00		105.00
05/24/91	NONE		55121	AMERICAN PARKINSON DISEASE	105.00		105.00
07/15/91	NONE		55280	HERITAGE FOUNDATION	100.00		100.00
07/15/91	NONE		55281	NEW AMERICAN STUDIES CENTER	100.00		100.00

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## STATEMENT OF ACCOUNT

Page: 6

UNITED CONSERVATIVES OF  
AMERICA  
300 EYE ST., N.E. #3B

Phone : (202) 546-8107  
Account No.: 9044

Date : 12/08/93

WASHINGTON DC 20002

For Mailer: UNITED CONSERVATIVES OF AMERICA

Amount Paid: \$ \_\_\_\_\_

Return One Copy With Your Remittance

Mail Date	Payment Date	Client PO	Invoice #	List Name	Charges	Paynt/Credit	Balance
07/15/91		NONE	56282	YOUNG AMERICA'S FOUNDATION	100.00		100.00
07/22/91		NONE	56283	LINCOLN INSTITUTE	99.82		99.82
07/15/91		NONE	56284	NATIONAL CONGRESSIONAL CLUB	100.00		100.00
08/08/91		NONE	56285	NATIONAL SECURITY CENTER M/F ACTIVES	100.00		100.00
07/15/91		NONE	56286	FREEDOM DONORS	100.54		100.54
07/29/91		NONE	56395	CHURCHES IN AMERICA	490.58		
	07/22/91					487.43	3.15
09/16/91		NONE	56469	CITIZENS TO REFORM CONGRESS	99.82		99.82
09/26/91		NONE	56470	FREEDOM DONORS	101.54		101.54
09/16/91		NONE	56475	AMERICAN POLICY INSTITUTE	100.00		100.00
09/12/91		NONE	56494	INC MAGAZINE	431.00		
	09/15/91					470.00	-39.00
09/02/91		NONE	56495	PUBLIC SERVICE RESEARCH COUNCIL/NOV TVC	100.00		100.00
09/09/91		NONE	56593	NAT'L INSTITUTE OF BUSINESS MANAGEMENT INC	452.00		

97043794988

## STATEMENT OF ACCOUNT

Page: 7

UNITED CONSERVATIVES OF  
AMERICA  
300 EYE ST., N.E. #3B

Phone : (202) 546-8107  
Account No.: 9044

Date : 12/08/93

WASHINGTON DC 20002

For Mailer: UNITED CONSERVATIVES OF AMERICA

Amount Paid: \$ \_\_\_\_\_

Return One Copy With Your Remittance

Mail Date	Payment Date	Client PO	Invoice #	List Name	Charges	Paymt/Credit	Balance
	08/15/91					495.00	-43.00
09/23/91	NONE		56594	CITIZENS FOR A SOUND ECONOMY	1307.50		1307.50
09/25/91	NONE		56632	RETIRED AMERICAN LEGISLATIVE LOBBY	5523.30		5523.30
09/25/91	NONE		56633	UNITED SENIORS ASSOCIATION	2152.61		2152.61
12/16/91	TO FOLLOW		56958	TVC M/F	175.50		175.50
			880404		147.52		147.52
			881204		27.00		27.00
			890503		78.50		78.50
			330519		277.53		277.53
						135.00	142.53
			390706		267.74		267.74
			390921		311.16		311.16
			390922		88067.28		88067.28

97043794989

## STATEMENT OF ACCOUNT

Page: 8

UNITED CONSERVATIVES OF  
AMERICA  
300 EYE ST., N.E. #3B

Phone : (202) 546-8107  
Account No.: 9044

Date : 12/08/93

WASHINGTON DC 20002

For Mailer: UNITED CONSERVATIVES OF AMERICA

Amount Paid: \$ \_\_\_\_\_

Return One Copy With Your Remittance

Mail Date	Payment Date	Client PO	Invoice #	List Name	Charges	Paymt/Credit	Balance
			891013		42.50		42.50
			891204		93.00		93.00
			900211		71.25		71.25
			900225		44.30		44.30
			900310		259.93		259.93
			900401		100.55		100.55
			900404		225.54		225.54
			900418		365.75		365.75
			900503		129.00		129.00
			900605		112.50		112.50
			900713		95.75		95.75
			900809		140.05		140.05

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# STATEMENT OF ACCOUNT

Page: 9

UNITED CONSERVATIVES OF  
AMERICA  
100 EYE ST., N.E. #3B

Phone : (202) 546-8107  
Account No.: 9044

WASHINGTON DC 20002

Date : 12/08/93

For Mailer: UNITED CONSERVATIVES OF AMERICA

Amount Paid: \$ \_\_\_\_\_

Return One Copy With Your Remittance

Mail Date	Payment Date	Client PO	Invoice #	List Name	Charges	Paymt/Credit	Balance
			902909		168.30		168.30
			902005		73.50		73.50
			902213		26.75		26.75
			902104		37.25		37.25
			902301		-500.00		-500.00
			902701		-2200.00		-2200.00

Total Due For Mailer :

Due \$ : 173214.51

Current	Over 30	Over 60	Over 90	Over 120	Unapplied Cr
.00	.00	.00	.00	173214.51	.00

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## FINANCING STATEMENT

Check below if goods are  
or are to become fixtures.

☐ TO BE RECORDED IN  
LAND RECORDS

This Financing Statement is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

Maturity date (if any)

Name(s) of Debtor(s) or assignor(s) No. Street City State  
(Last Name First)

United Conservatives of America

Name of Secured Party or assignee No. Street City State  
American Mailing Lists Corporation 7777 Leesburg Pike Falls Church Virginia 22043

1. This financing statement covers the following types (or items) of property: (Lists or descriptions may be on separate sheets firmly attached hereto.) (Describe)

All the Debtor's right, title and interest in and to Debtor's list of names, addresses and contributor history of persons who have responded to or contributed to Debtor in response to mailings performed by or for Debtor together with monthly updates thereof.

(If affixed to realty—state value of each article)

CHECK ☒ THE LINES WHICH APPLY

2. ☐ If collateral is crops: The above described crops are growing or will be grown on; (Furnish general description of real estate and name of record owner.)

3. ☐ If collateral is goods which are or will become fixtures: The above described goods are fixed or will be affixed to: (If affixed to realty—state value of each article.) (Furnish general description of real estate and name of record owner.) If blocks system is maintained, state house number and street, if there be any, or block reference.

4. ☒ Proceeds of collateral are also covered: ☐ Products of collateral are also covered:

5. ~~(This section applicable in Maryland only.) STRIKE OUT INAPPLICABLE WORDING~~  
The underlying secured transaction(s) being publicized by this Financing Statement is is not subject to the Recordation Tax imposed by Article 81, §§ 277, 278 annotated Code of Maryland, as amended. If subject, the principal amount of the debt is

Debtor(s) or assignor(s)  
UNITED CONSERVATIVES OF AMERICA

By:

*Robert M. Malt*

Robert Malt, Chairman

(Type or print name under signature)

American Mailing Lists Corporation (Seal)

(Corporate, Trade or Firm Name)

By: *Richard J. Virginia*

Signature of Secured Party or Assignee

*President*

(Owner, Partner or Officer and Title)  
(Signatures must be in ink)

97043794992  
DOLLY A. HARRINGTON, Esq.  
Grossberg, Yochelson, Fox & Beyda  
2100 Pennsylvania Avenue, N.W., Suite 770  
Washington, D.C. 20037

RETURN TO:

94 FEB 15 PM 4:52

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

MUR 3841

WEBCRAFT TECHNOLOGIES, INC.'S RESPONSE TO  
FEDERAL ELECTION COMMISSION'S SUBPOENA TO PRODUCE DOCUMENTS

Webcraft Technologies, Inc. ("Webcraft"), by counsel,  
hereby responds to the Federal Election Commission's Subpoena to  
Produce Documents as follows:

Requests for Documents:

(1) For the period January 1, 1989 through December 31,  
1990, vendor statements or other documents which detail the amounts  
billed to the Committee and the payments received from the  
Committee, and all supporting documentation including, but not  
limited to, all invoices, copies of deposited checks, ledgers and  
any other financial records.

RESPONSE: Webcraft responds by producing all responsive  
documents located to date, including: invoices from Webcraft to  
United Conservatives of America ("UCA") for the years January 1,  
1989 through December 31, 1990, see W000001 to W000009; copies of  
checks received from UCA related to invoices sent by Webcraft for  
the period January 1, 1989 through December 31, 1990, see W000010  
to W000021; and account balance reports for the UCA jobs printed by  
Webcraft for UCA for the period January 1, 1989 through December  
31, 1990, see W000022 to W000027.

(2) Documentation detailing the vendor's efforts to

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collect the debt owed by the Committee. This includes, but is not limited to, collection letters sent to the Committee, collection agency correspondence, phone logs detailing telephone calls made to collect the debt, Committee's responses to the vendor's efforts, explanations or documentation describing the vendor's industry's customs for debt collection.

RESPONSE: Due to document retention policies, any correspondence or documentation reflecting telephone conversations with UCA related to sales or collection efforts during the period January 1, 1989 through December 31, 1990 no longer exists at Webcraft. Webcraft has not performed any further services for UCA since printing the materials for the last drop of job 47988 in the late summer or fall of 1990.

(3) Any contracts, leases or other agreements between Webcraft and United Conservatives of America.

RESPONSE: Webcraft has been unable to locate any copies of any contracts, leases or other agreements between Webcraft and United Conservatives of America. Webcraft will supplement this response if any responsive documents are located.

(4) A statement identifying the vendor's address(es) from January 1, 1989 through December 31, 1990.

RESPONSE: Webcraft's corporate headquarters from January 1, 1989 through December 31, 1990, and continuing to the present, is located in North Brunswick, New Jersey. The sales office which serviced the UCA account was then and is now located at 1730 M Street, N.W., Suite 413, Washington, D.C. 20006. The manufacturing

facility which printed materials for the UCA account was then and is now located in Chalfont, Pennsylvania. In addition, Webcraft maintains a number of sales offices in various locations, and another manufacturing facility in Salisbury, Maryland, none of which were involved with the UCA account.

(5) A statement identifying the corporation's officers, directors and Board members.

RESPONSE: The current executive officers and directors of Webcraft are:

<u>Name</u>	<u>Position</u>
Thomas R. Cochill	President and Chief Executive Officer
H. Roy Bergquist	Vice President-Operations
Patrick W. Bigoss	Vice President-Sales
Donald D. Davidson	Vice President and President, Webcraft Games, Inc.
Thomas J. Gardner	Vice President-Finance and Chief Financial Officer
Ira Horowitz	Vice President, General Counsel and Secretary
Christopher W. Martz	Vice President and Chief Information Officer
M. Jordan Vargas	Vice President-Organization Development
Jeffrey D. Benjamin	Director
Thomas R. Cochill	Director
Robert H. Downie	Director
Michael J. Drabb	Director
Joshua J. Harris	Director
William L. Katz	Director
Katalin E. Kutasi	Director
M. Richard Rose	Director
Edward M. Yorke	Director

97043794995  
LAW OFFICES  
WILLIAMS & CONNOLLY  
725 TWELFTH STREET, N.W.  
WASHINGTON, D.C. 20005

AREA CODE 202  
434-5000



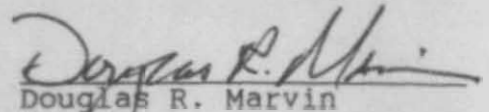
Order to Answer Question:

(1) What is the relationship between Webcraft Technologies, Inc. and the United Conservatives of America? Include information regarding any shared employees, office space, corporate officers, Board members, corporate by-laws or charters, or any other similar relationship with the Committee.

RESPONSE: The relationship between Webcraft and UCA was strictly that of a vendor and a customer. UCA came to Webcraft and asked Webcraft to perform printing and mailing services, which Webcraft agreed to provide in return for payment from UCA. Upon information and belief, there are not now and have never been any shared employees, shared office space, corporate officers, Board members, corporate by-laws or charters, or any other similar relationship between Webcraft and UCA.

WILLIAMS & CONNOLLY

By:

  
Douglas R. Marvin

725 Twelfth Street, N.W.  
Washington, D.C. 20005  
(202) 434-5000

Dated: February 15, 1994

LAW OFFICES  
WILLIAMS & CONNOLLY  
725 TWELFTH STREET, N.W.  
WASHINGTON, D.C. 20005

AREA CODE 202  
434-5000

97043794996

VERIFICATION

I, Ira M. Horowitz, state:

I am Vice President, General Counsel and Secretary of Webcraft Technologies, Inc., and am authorized to make this authorization on its behalf. I have read the foregoing Response to the Federal Election Commission's Subpoena to Produce Documents and know its contents. I am informed and believe that the matters stated therein are true, and on that ground certify or declare that the same are true and correct.

*Ira M. Horowitz*

Ira M. Horowitz, Vice President, General Counsel and Secretary

Sworn and subscribed to before me this 15th day of February, 1994.

*Ragnild H. Moyer*

Notary Public in and for the State of New Jersey

My commission expires: *May 1, 1994*

Notary Public

RAGNHILD H. MOYER  
NOTARY PUBLIC OF NEW JERSEY  
MY COMMISSION EXPIRES MAY 1, 1994

97043794997



webcraft

MAIL SYSTEMS, INC.

4371 COUNTY LINE ROAD, CHALFONT, PA 18914

TO: P.O. BOX 23224C NEWARK, NJ 07139

INVOICE

No. 6805

Date 09/18/89

Your  
Order No.

SEP 20 1989

1000001-120-89

SOLD TO

United Conservatives of America  
c/o The Viguerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043  
ATTN: Larry Madison

SHIP TO

Our Order No. 007574/47196A	Salesman BO Anderson	Terms per escrow	F.O.B. Destination	Date Shipped 09/18/89	Shipped Via US POSTAL
Quantity Ordered	Stock Number Description		Unit Price	Unit	Amount
63,775	Authorized by: Larry Madison  Delivered size: 8.875 x 10.500 Single count: 7.592 x 62.000 Printed 3/3 and 3/0 on 60# Offset  "CATCHA" Code: 10T    3rd Class Residual Included 5-digit sort ( 13.444 pcs)  				

This invoice is subject to the terms and conditions printed on the face and reverse side of our Confirmation and Production Order.

COMMISSIONS PAYABLE

1000001



**webcraft** MAIL SYSTEMS, INC.  
 4371 GARDEN LANE ROAD, CHALFONT, PA 18914  
 TO: P.O. BOX 23224C NEWARK, NJ 07189

# INVOICE

No. 6807  
 Date 09/18/89

Your  
 Order No.

1.20.89

SOLO TO

United Conservatives of America  
 c/o The Viguerie Company  
 7777 Leesburg Pike  
 Falls Church, VA 22043  
 ATTN: Larry Madison

SEP 20 1989

SHIP TO

Our Order No.	Salesman	Terms	F.O.B.	Date Shipped	Shipped Via
007574/47620A	Bob Anderson	per escrow	Destination	09/18/89	US POSTAL
Quantity Ordered	Stock Number Description	Unit Price	Unit	Amount	
15,950	Authorized by: Larry Madison				
	Delivered size: 7.592 x 10.500 Single count: 7.592 x 62.000 Printed 3/3 and 3/0 on 602 Offset				
	"CATCHIA" Codes: 10P, 10P1	167.10	M	\$	2,665.25
	3rd Class Residual Included 5-digit sort (6,387 pcs)	2.00	M		12.77
	Thank you, it is our pleasure to serve you.				
A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.		Invoice Total		\$	2,678.02

999944379

W000002

This invoice is subject to the terms and conditions printed on the face and reverse side of our Confirmation and Production Order.

COMMISSIONS PAYABLE





# webcraft

MAIL SYSTEMS, INC.

4371 COUNTY LINE ROAD, CHALFONT, PA 18914

REMIT TO: P.O. BOX 23234C NEWARK, NJ 07189

## INVOICE

No. 6641

Date 08/01/89

Your Order No. UCA-3353  
JOB# M-614

AUG 09 1989

*Mailed  
8.11.89*

United Conservatives of America  
c/o The Viguerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043  
ATTN: Larry Madison

Our Order No.	Salesman	Terms	F.O.B.	Date Shipped	Shipped Via
007574/46098A	Bob Rutherford	per escrow	Destination	08/01/89	US POSTAL
Quantity Ordered	Stock Number Description	Unit Price	Unit	Amount	
9,820	<p>Authorized by: Larry Madison</p> <p>Delivered size: 8.875 x 10.500</p> <p>Single count: 7.592 x 52.000</p> <p>Printed 3/3 &amp; 3/0 on 60# Offset</p> <p>"C.A.T.C.H.A."</p> <p>3rd Class Residual Included</p> <p>Thank you, it is our pleasure to serve you.</p> <p>A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.</p>	200.00		\$ 1,964.00	
		Invoice Total		\$	1,964.00

This invoice is subject to the terms and conditions printed on the face and reverse side of our Confirmation and Production Order.

COMMISSIONS PAYABLE

W000003



webcraft

MAIL SYSTEMS, INC.

4371 County Line Road, Chalfont, PA 18914

REMIT TO: P.O. BOX 23224C NEWARK, NJ 07189

INVOICE

6800

No.

07/20/80

Date

Your

UCA-3353

Order No: 614

P

Sold To

United Conservatives of America  
c/o The Vignerie Company  
7777 Leesburg Pike  
Palls Church, VA 22043  
ATTN: Larry Madison

Shipped To

7/25/80

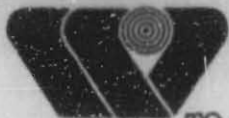
Our Order No.	Salesman	Terms	F.O.B.	Date Shipped	Shipped Via
07514746698A	JOHN ROW	NET 20 DAYS	Destination	07/20/80	US POSTAL
Quantity Ordered	Stock Number Description	Unit Price	Unit	Amount	
57,114	<p>Authorized by: Larry Madison</p> <p>Delivered size: 8.875 x 10.500</p> <p>Single count: 7.592 x 52.000</p> <p>Printed 3/3 and 3/0 on 60# offset</p> <p>"C.A.T.C.H.A."</p> <p>3rd Class residual Included</p> <p>5-digit sort (4,264 pcs)</p>	300.00	M	\$ 11,421.80	
		2.00	M	8.52	
<p>Additional mailing charges to follow.</p> <p>Thank you, it is our pleasure to serve you.</p>					
CREDIT TERMS: NET 20 DAYS				Invoice Total	\$ 11,431.32

A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.

This invoice is subject to the terms and conditions printed on the face and reverse side of our Confirmation and Production Order.

COMMISSIONS PAYABLE

W000004



webcraft

MAIL SYSTEMS, INC.

4371 COUNTY LINE ROAD, CHALFONT, PA 18914

ATTN: TO: P.O. BOX 23224C NEWARK, NJ 07189

INVOICE

No. 6612

Date 08/14/89

Your Order No. ECA 2326

(P)

MS 16

SOLD TO

United Conservatives of America  
c/o The Viguerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043  
ATTN: Larry Madison

SHIP TO

Our Order No.	Salesman	Terms	F.O.B.	Date Shipped	Shipped Via
007574/46942A	Bob Rutterow	Per Escrow	Destination		
Quantity Ordered	Stock Number Description	Unit Price	Unit	Amount	
496,567	AUTHORIZED BY: Larry Madison  Delivered Size: 8.875 x 10.500 Single Count: 7.592 x 62.000 Printed 3/3 & 3/3 on 60# offset  "CATCHA Convert"  5-Digit Sort 376,016 pcs. Carrier Route Sort 6,930 pcs.  10G, 10F, 10F1-359,710 pcs. 10H, 10H2-136,857 pcs.  Thank you, it is our pleasure to serve you.	167.10	M	82,970.35	
		2.00	M	752.02	
		3.00	M	20.79	
Invoice Total				\$83,743.17	

A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.

This invoice is subject to the terms and conditions printed on the face and reverse side of our Confirmation and Production Order.

COMMISSIONS PAYABLE

W000005



# webcraft

MAIL SYSTEMS, INC.

4371 COUNTY LINE ROAD, CHALFONT, PA 18914

TO: P.O. BOX 33224C NEWARK, NJ 07189

## INVOICE

No. 6759

Date 09/06/89

Your  
Order No.

*mailed*  
*9-13-89*

SOLD TO

United Conservatives of America  
c/o The Viguerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043  
ATTN: Larry Madison

SEP 15 1989

SHIP TO

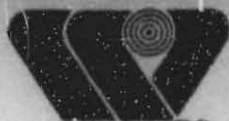
Our Order No.	Salesman	Terms	F.O.B.	Date Shipped	Shipped Via
007574/47020A	Bob Rutkay	per escrow	Destination	09/06/89	US POSTAL
Quantity Ordered	Stock Number Description	Unit Price	Unit	Amount	
9704379003	Authorized by : Larry Madison				
	Delivered size: 7.592 x 10.500				
	Single count: 7.592 x 62.000				
245,634	Printed 3/3 and 3/0 on 60# Offset "C.A.T.C.H.A."				
	Codes: 10M1, 10M2, 10M4, 10M5, 10M8 10M9	167.10	M	\$	24,335.44
	3rd Class Residual Included 5-digit sort (85,546 pcs)	2.00	M		171.00
	Additional mailing charges to follow.				
	Thank you, it is our pleasure to serve you.				
	A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.				
		Invoice Total \$		24,506.53	

W000006

This invoice is subject to the terms and conditions printed on the face and reverse side of our Confirmation and Production Order.

COMMISSIONS PAYABLE





# webcraft

## MAIL SYSTEMS, INC.

4371 COUNTY LINE ROAD, CHALFONT, PA 18914

REMIT TO: P.O. BOX 23224C NEWARK, NJ 07189

# INVOICE

No. 6768

Date 09/11/89

Your  
Order No.

SEP 15 1989

SOLD TO

United Conservatives of America  
c/o The Viguerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043  
ATTN: Larry Madison

SHIP TO

Our Order No. 007574/47020A	Salesman Bob Burkrow	Terms per escrow	F.O.B. Destination	Date Shipped 09/11/89	Shipped Via US POSTAL
Quantity Ordered	Stock Number Description		Unit Price	Unit	Amount
10,274	Authorized by: Larry Madison  Delivered size: 7.592 x 10.500 Single count: 7.592 x 62.000 Printed 3/3 and 3/0 on 60# Offset  "C.A.T.C.H.A." Codes: 10N2, 10N3   3rd Class Residual Included 5-digit sort (2,237 pcs)   Additional mailing charges to follow.  Thank you, it is our pleasure to serve you.		167.10	M	\$ 1,716.79
			2.00	M	4.47
A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.			Invoice Total \$ 1,721.26		

This invoice is subject to the terms and conditions printed on the face and reverse side of our Confirmation and Production Order.

COMMISSIONS PAYABLE

W000007

OGC 130

LAW OFFICES  
WILLIAMS & CONNOLLY

725 TWELFTH STREET, N.W.

WASHINGTON, D. C. 20005

(202) 434-5000

FAX (202) 434-5029

EDWARD BENNETT WILLIAMS (1920-1988)  
PAUL R. CONNOLLY (1922-1978)

VINCENT J. FULLER  
RAYMOND W. BERGAN  
JEREMIAH C. COLLINS  
ROBERT L. WEINBERG  
DAVID POVICH  
STEVEN M. UMIN  
JOHN W. VARDAMAN  
PAUL MARTIN WOLFF  
J. ALAN GALBRAITH  
JOHN G. KESTER  
WILLIAM E. MCDANIELS  
BRENDAN V. SULLIVAN, JR.  
AUBREY M. DANIEL, III  
RICHARD M. COOPER  
GERALD A. JEFFER  
ROBERT P. WATKINS  
JERRY L. SHULMAN  
LAWRENCE LUCCHINO  
LEWIS H. FERGUSON, III  
ROBERT B. BARNETT

DAVID E. KENDALL  
GREGORY B. CRAIG  
JOHN J. BUCKLEY, JR.  
TERRENCE O'DONNELL  
DOUGLAS R. MARVIN  
JOHN E. VILLA  
BARRY S. SIMON  
KEVIN T. BAINE  
STEPHEN L. URBANCZYK  
PHILIP J. WARD  
FREDERICK WHITTEN PETERS  
JAMES A. BRUTON, III  
PETER J. KAHN  
JUDITH A. MILLER  
LON S. BABBY  
MICHAEL S. SUNDERMEYER  
JAMES T. FULLER, III  
DAVID D. AUFHAUSER  
BRUCE R. GENDERSON  
CAROLYN H. WILLIAMS

F. LANE HEARD III  
STEVEN R. KUNBY  
GERSON A. ZWEIFACH  
SARAH HELENE DUGGIN  
PAUL MOGIN  
HOWARD W. GUTMAN  
NANCY F. FREISS  
RICHARD S. HOFFMAN  
PAULA MICHELE ELLISON  
STEVEN A. STEINBACH  
MARK S. LEVINSTEIN  
MARY C. CLARK  
VICTORIA L. RADD  
DANIEL F. KATZ  
NICOLE K. SELIGMAN  
ROBERT M. KRASNE  
KATHLEEN L. BEGGS  
SVEN ERIK HOLMES  
WILLIAM R. MURRAY, JR.

February 18, 1994

BY HAND

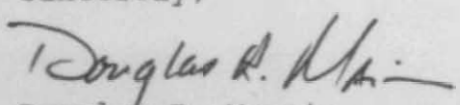
Peter G. Blumberg, Esq.  
Attorney  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 3841

Dear Mr. Blumberg:

Enclosed with this letter are copies of additional invoices recently located by Webcraft Technologies, Inc. that we believe are responsive to Request No. 1 in the Federal Election Commission's Subpoena to Produce Documents dated December 22, 1993. The enclosed documents bear the Bates numbers W000030 to W000043.

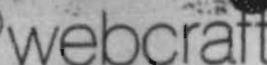
Please consider this to be a supplemental production to Webcraft Technologies, Inc.'s Response to Federal Election Commission's Subpoena to Produce Documents that was delivered to the Federal Election Commission on February 15, 1994.

Sincerely,  
  
Douglas R. Marvin

Enclosures

97043795005

RECEIVED  
FEDERAL ELECTION COMMISSION  
94 FEB 18 PM 3:37



MAIL SYSTEMS, INC.

REMIT TO: P.O. BOX 23224C NEWARK, NJ 07189

# INVOICE

No.

0533

Date \_\_\_\_\_

07/07/89

Your

UCA-3353

Order No.

H-814

Sold To

United Conservatives of America  
C/O The Viguerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043  
ATTN: Larry Madison

Shipped To

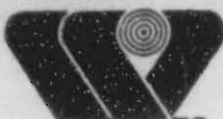
JUL 17 1989

Our Order No. 007574/48698A	Salesman Bob Anderson	Terms Per Escrow	F.O.B. Destination	Date Shipped 7/7/89	Shipped Via US Postal
Quantity Ordered	Stock Number Description			Unit Price	Unit Amount
143,655	Authorized By: Larry Madison  Delivered Size: 8.875 X 10.500 Single Count: 7.592 X 52.000 Printed 3/3 and 3/0 on 60# Offset  "C.A.T.C.H.A."			200.00	\$ 28,731.00
	Set-up charge				4,000.00
	3rd Class Residual Included 5-Digit Sort (106,325 pcs.)			2.00	212.65
THANK YOU, IT IS OUR PLEASURE TO SERVE YOU!					
CREDIT TERMS: NET 20 DAYS A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.					INVOICE TOTAL \$ 32,943.65

W000030

This invoice is subject to the terms and conditions printed on the face and reverse side of our Confirmation and Production Order.

COMMISSIONS PAYABLE



webcraft

MAIL SYSTEMS, INC.

4371 COUNTY LINE ROAD, CHALFONT, PA 18914

REMIT TO: P.O. BOX 23224C NEWARK, NJ 07189

INVOICE

No. 6687

Date 08/16/89

Your Order No. UCA 2326

AUG 18 1989

SOLD TO

United Conservatives of America  
C/O The Viguerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043  
ATTN: Larry Madison

SHIP TO



Our Order No.	Salesman	Terms	F.O.B.	Date Shipped	Shipped Via
007574/46942A	Rob Rutterow	per escrow	Destination	08/16/89	US POSTAL
Quantity Ordered	Stock Number	Description	Unit Price	Unit	Amount
27,313		<p>Authorized by: Larry Madison</p> <p>Delivered size: 8.875 x 10.500</p> <p>Single count: 7.592 x 62.000</p> <p>Printed 3/3 and 3/3 on 60# offset</p> <p>"CATCHA CONVERT"</p> <p>10g,10f,10f1</p> <p>3rd Class Residual Included</p> <p>Additional mailing charges to follow.</p> <p>Thank you, it is our pleasure to serve you.</p> <p>A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.</p>	167.10	M	\$ 4,564.00
			Invoice Total \$ 4,564.00		

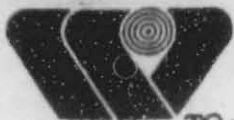
This invoice is subject to the terms and conditions printed on the face and reverse side of our Confirmation and Production Order.

COMMISSIONS PAYABLE

97043795007

W000031





webcraft

MAIL SYSTEMS, INC.

4371 COUNTY LINE ROAD, CHALFONT, PA 18914

TELETYPE TO: P.O. BOX 23224C NEWARK, NJ 07189

INVOICE

No. 6703

Date 08/21/89

Your

Order No. UCA-2326

(P)

SOLD TO

United Conservatives of America  
c/o The Viguerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043  
ATTN: Larry Madison

SHIP TO

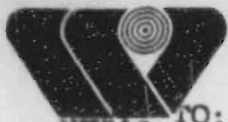
AUG 24 1989

Our Order No.	Salesman	Terms	F.O.B.	Date Shipped	Shipped Via
007574/46942A	Bob Rutherford	per escrow	Destination	08/21/89	US POSTAL
Quantity Ordered	Stock Number	Description	Unit Price	Unit	Amount
27,580		Authorized by: Larry Madison Delivered size: 8.875 x 10.500 Single count: 7.592 x 62.000 Printed 3/3 and 3/3 on 60# Offset "CATCHA" 1083	167.10	M	\$ 4,608.62
		3rd Class Residual Included 5-digit sort (2,186 pcs)	2.00	M	4.37
		Additional mailing charges to follow.			
		Thank you, it is our pleasure to serve you.			
		A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.			
		Invoice Total \$			4,612.99

This invoice is subject to the terms and conditions printed on the face and reverse side of our Confirmation and Production Order.

COMMISSIONS PAYABLE

W0000032



webcraft

MAIL SYSTEMS, INC.

4371 COUNTY LINE ROAD, CHALFONT, PA 18914

TO: P.O. BOX 23224C NEWARK, NJ 07169

INVOICE

No. 6771

Date 09/15/89

Your  
Order No.

SOLD TO

United Conservatives of America  
c/o The Viguerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043  
ATTN: Larry Madison

SEP 19 1989

SHIP TO

Our Order No.	Salesman	Terms	F.O.B.	Date Shipped	Shipped Via
007574/47196A	Bob Rutkowski	per escrow	Destination	09/15/89	US POSTAL
Quantity Ordered	Stock Number	Description	Unit Price	Unit	Amount
162,440		Authorized by: Larry Madison Delivered size: 8.875 x 10.500 Single count: 7.592 x 62.000 Printed 3/3 and 3/0 on 80# offset "CATCHIA" Codes: 80K, 11 A, B, C, D	157.35	M	\$ 25,559.93
		3rd Class Residual Included 5-digit sort (86,122 pcs)	2.00	M	172.24
		carrier route sort (328 pcs)	3.00	M	0.98
		Additional mailing charges to follow.			
		Thank you, it is our pleasure to serve you.			
		A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.			
		Invoice Total \$			25,733.15

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162,440

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100.12

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JW

This invoice is subject to the terms and conditions printed on the face and reverse side of our Confirmation and Production Order.

COMMISSIONS PAYABLE



webcraft

MAIL SYSTEMS, INC.

1371 COUNTRY LINE ROAD, CHALFONT, PA 18914

TO: P.O. BOX 23224C NEWARK, NJ 07189

INVOICE

No. 6797

Date 09/15/89

Your  
Order No.

United Conservatives of America  
c/o The Viguerie Company  
7777 Leesburg Pike  
Falls Church,  
ATTN: Larry Madison

VA 22043

SEP 19 1989

Our Order No.	Salesman	Terms	F.O.B.	Date Shipped	Shipped Via
007574/47020A	Rob Raderow	per escrow	Destination	09/15/89	US POSTAL
Quantity Ordered	Stock Number Description	Unit Price	Unit	Amount	
216,934	<p>Authorized by: Larry Madison</p> <p>Delivered size: 7.592 x 10.500</p> <p>Single count: 7.592 x 62.000</p> <p>Printed 3/3 and 3/0 on 60# Offset</p> <p>"CATCHA"</p> <p>Codes: 10T</p>	167.10	M	\$ 36,249.67	
	3rd Class Residual Included				
	5-digit sort (140,953 pcs)	2.00	M	281.91	
	carrier route sort (802 pcs)	3.00	M	2.41	
	Additional mailing charges to follow.				
	Thank you, it is our pleasure to serve you.				
	<p>A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.</p>				
	Invoice Total			\$ 38,533.99	

This invoice is subject to the terms and conditions printed on the face and reverse side of our Confirmation and Production Order.

COMMISSIONS PAYABLE

97043795010

216,934

402-757,27

402-757,27

234.30

W000034



webcraft

MAIL SYSTEMS, INC.  
4371 COUNTY LINE ROAD, CHALFONT, PA 18914  
REMIT TO: P.O. BOX 23224C NEWARK, NJ 07189

INVOICE

No. 6831

Date 09/21/89

Your  
Order No.

SEP 26 1989

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United Conservatives of America  
c/o The Viguerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043  
ATTN: Larry Madison

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Our Order No.	Salesman	Terms	F.O.B.	Date Shipped	Shipped Via
007574/47196A	Bob Rudderow	per escrow	Destination	various	US POSTAL
Quantity Ordered	Stock Number	Description	Unit Price	Qty	Amount
182,039		Authorized by: Larry Madison  Delivered size: 8.875 x 10.500 Single count: 7.592 x 62.000 Printed 3/3 and 3/0 on 60# Offset "CATCHA" codes: 11FGHJKLMNPQ, 11STWX and 12A  3rd Class Residual Included 5-digit sort (220,024 pcs) carrier route sort (56,710 pcs)	157.35	M	\$ 60,113.84
			2.00	M	440.05
			3.00	M	170.13
Thank you, it is our pleasure to serve you.					
A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.					
Invoice Total					\$ 60,724.02

This invoice is subject to the terms and conditions printed on the face and reverse side of our Confirmation and Production Order.

COMMISSIONS PAYABLE

W000035





# webcraft

## MAIL SYSTEMS, INC.

4371 COUNTY LINE ROAD, CHALFONT, PA 18914

REMIT TO: P.O. BOX 2224C NEWARK, NJ 07189

### INVOICE

No. 7451

Date 04/30/90

Your Order No.

as of 5/1/90

MAY 10 1990

SOLO TO

United Conservatives of America  
C/O The Viguerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043  
ATTN: Larry Madison

SHIP TO

Our Order No.	Salesman	Terms	F.O.B.	Date Shipped	Shipped Via
007574/47848B	Bob Rutherford	Per Escrow	destination		
Quantity Ordered	Stock Number	Description	Unit Price	Unit	Amount
29,458		Authorized by: Larry Madison  Delivered size: 8.875 x 10.500 Single count: 7.592 x 88.000 Printed 2/2 & 3/1 on 50# Offset  "UCA Capital Gains Closed End Mailer"	240.13	M	\$ 7,073.75
		3rd Class Residual Included 5 Digit (27,863 pcs.)	2.00	M	\$ 558.00
		Carrier Route (1,795 pcs.)	3.00	M	\$ 5,385.00
		Codes 13P, 13Q, 13R, 13S, 81L, 81M			
		Thank you, it is our pleasure to serve you!			
		A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.			
		This invoice is subject to the terms and conditions printed on the face and reverse side of our Confirmation and Production Order.			
Invoice Total					\$ 7,134.47

W000036

db

COMMISSIONS PAYABLE



# webcraft

## MAIL SYSTEMS, INC.

4371 COUNTY LINE ROAD, CHALFONT, PA 18914

REMIT TO: P.O. BOX 23224C NEWARK, NJ 07189

### INVOICE

No. 7855

Date 05/15/90

Your Order No.

MAY 18 1990



SOLD TO

United Conservatives of America  
C/O The Viguerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043  
ATTN: David Aldrich

SHIP TO

Our Order No.	Salesman	Terms	F.O.B.	Date Shipped	Shipped Via
007574/47846B	Bob Radtrow	Per Radtrow	Destination	5/15/90	US Postal
Quantity Ordered	Stock Number/Description	Unit Price	Qty	Amount	
13,578	<p>Authorized By: David Aldrich</p> <p>Delivered Size: 8.875 X 10.500</p> <p>Single Count: 7.592 X 86.000</p> <p>Printed 2/2 &amp; 3/1 on 50% Offset</p> <p>"DCA Capital Gains Closed End Mailer"</p> <p>3rd Class Residual Included</p> <p>5 Digit Sort (13,578 pcs.)</p> <p>Codes: 13P, 13Q, 13R, 13S, 81L, 81M</p>	240.13	M	\$ 3,260.40	
		3.00	M	27.16	
	Additional charges to follow:				
	THANK YOU, IT IS OUR PLEASURE TO SERVE YOU!				
	A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.				
		Invoice Total \$		3,287.56	

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13,578

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dw

COMMISSIONS PAYABLE





# webcraft

## MAIL SYSTEM, INC.

4371 County Line Road, Chalfont, PA 18914

REMIT TO: P.O. Box 23224C NEWARK, NJ 07189

7669 7669

Date 5/21/90

Your

Order No.

MAY 29 1990

SOLD TO

United Conservatives of America  
C/O The Vignerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043  
ATTN: David Aldrich

SHIP TO

Our Order No.	Salesman	Terms	F.O.B.	Date Shipped	Shipped Via
007574/47846B	Bob Rudderow	Per Escrow	Destination	5/21/90	US Postal
Quantity Ordered	Stock Number	Description	Unit Price	Unit	Amount
64,182		Authorized by: David Aldrich  Delivered Size: 8.875 X 10.500 Single Count: 7.592 X 86.000 Printed 2/2 & 3/1 on 50# Offset  "UCA Capital Gains Closed End Mailer"  3rd Class Residual Included (11,499 pcs) 5-Digit Sort (52,683 pcs.)  Codes: 131D, 433, 301R, 13S, 81L, 81M	240.13	M	\$15,412.02
			2.00	M	105.37
INVOICE TOTAL					\$15,517.39
Additional charges to follow. THANK YOU, IT IS OUR PLEASURE TO SERVE YOU!					
A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.					
This invoice is subject to the terms and conditions printed on the face and reverse side of our Confirmation and Production Order.					

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COMMISSIONS PAYABLE

W000038



**webcraft MAIL SYSTEMS, INC.**

4371 COUNTY LINE ROAD, CHALFONT, PA 18814

**INVOICE**

RELITE TO: P.O. BOX 333240 NEWARK, NJ 07139

No. 7682

Date 05/23/90

Your Order No.

MAY 30 1990

SOLD TO

United Conservatives of America  
C/O The Viguerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043  
ATTN: David Aldrich

SHIP TO

Our Order No.	Salesman	Terms	F.O.B.	Date Shipped	Shipped Via
007574/47846B	Bob Ruffow	Per Escrow	Destination	5/23/90	US Postal

Quantity Ordered	Stock Number Description	Unit Price	Unit	Amount
106,675	<p>Authorized by: David Aldrich</p> <p>Delivered Size: 8.875 X 10.500</p> <p>Single Count: 7.592 X 86.000</p> <p>Printed 2/2 &amp; 3/1 on 500 Offset</p> <p>"UCA Capital Gains Closed End Mailer"</p> <p>3rd Class Residual Included (63,391 pos)</p> <p>5-Digit Sort (49,284 pos.)</p> <p>Codes: 13P, 13Q, 13R, 13S, 01L, 01M</p> <p>Thank you, it is our pleasure to serve you!</p>	240.13	M	\$ 25,702.17
		2.00	M	86.57
Invoice Total				\$ 25,702.44

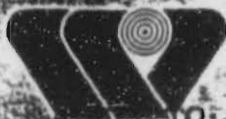
A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.

This invoice is subject to the terms and conditions printed on the face and reverse side of our Confirmation and Production Order.

COMMISSIONS PAYABLE

W000039





webcraft

MAIL SYSTEMS, INC.

4371 COUNTY LINE ROAD, CHALFONT, PA 18914

TO: P.O. BOX 23224C NEWARK, NJ 07189

INVOICE

No. 7724

Date 06/08/90

Your Order No.

JUN 20 1990



United Conservatives of America  
C/O The Viguerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043  
ATTN: David Aldrich

SOLD TO

SHIP TO

Our Order No.	Salesman	Terms	F.O.B.	Date Shipped	Shipped Via
007874/479889	Bob Ruffow	Net 30 days	Destination	6/8/90	US Postal

Quantity Ordered	Stock Number Description	Unit Price	Unit	Amount
	Authorized By: David Aldrich			
	Delivered Size: 8.875 X 10.500			
	Single Count: 7.592 X 86.000			
	Printed 3/1 & 2/2 on 500			
	Offset & 3/0			
32,327	14 Postcard Convert	226.21	M	\$ 7,312.69
	3rd Class Residual Included (14,610 pcs.)			
	5-Digit Sort (17,708 pcs.)	1.00	M	35.42
	Code 81Z			
	Additional charges to follow.			
	THANK YOU, IT IS OUR PLEASURE TO SERVE YOU!			
	A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.			
	Invoice Total			\$ 7,348.11

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W000040

ds

COMMISSIONS PAYABLE

## INVOICE



webcraft

MAIL SYSTEMS, INC.

4371 COUNTY LINE ROAD, CHALFONT, PA 18914

REMIT TO: P.O. BOX 33224C NEWARK, NJ 07109

No. 7766

Date 05/18/90

Your  
Order No.S  
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United Conservatives of America  
C/O The Viguier Company  
7777 Leesburg Pike  
Falls Church, VA 22043  
ATTN: David Aldrich

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Our Order No.	Salesman	Terms	F.O.B.	Date Shipped	Shipped Via
007574/47988B	Bob Rittrow	Net 30 days	Destination	6/18/90	US-Postal
Quantity Ordered	Stock Number	Destination	Unit Price	Unit	Amount
35,806	Authorized by: David Aldrich  Delivered Size: 8.875 X 10.500 Single Count: 7.592 X 86,000 Printed 3/1 & 2/2 on 500 Offset & 3/0  "4 Postcard Convert"  3rd Class Residual Included (35,806 pcs.)  Code 81Z  				

W000041



MAIL SYSTEMS, INC.  
 101 COUNTY LINE ROAD, CHALFONT, PA 18914  
 P.O. BOX 23234C NEWARK, NJ 07189

INVOICE

7931

08/16/90

No.

Date

Your  
Order No.

(P)

United Conservatives of America  
 C/O The Viguerie Company  
 7777 Leesburg Pike  
 Falls Church, VA 22043  
 ATTN: David Aldrich

SOLD TO

SHIP TO

0959474988B	Salesman	Terms 30 days	FOB destination	Date Shipped 08/16/90	Shipped Via US Postal
-------------	----------	---------------	-----------------	-----------------------	-----------------------

Quantity	Description	Unit Price	Amount
----------	-------------	------------	--------

Authorized by: David Aldrich

Delivered Size: 8.875 x 10.500  
 Single Count: 7.592 x 86.000  
 Printed 3/1 & 2/2 on 50# Offset  
 & 3/0

6.899

"4 Postcard Convert"

226.21 M

\$ 1,560.02

3rd Class Residual Included  
 (2,136 pcs.)  
 5-Digit Sort (4,763 pcs.)

2.00 M

9.53

Code: 13W, 13X, 14A, 14B-  
 Additional charges to follow.

Thank you, it is our pleasure  
 to serve you!

1%

Invoice Total

\$ 1,570.15

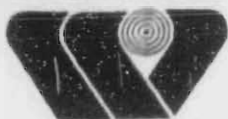
A service charge of per month will be assessed on  
 charges not paid within 20 days of the billing date and will  
 continue until the past due amount is paid in full.

This invoice is subject to the terms and conditions  
 printed on the face and reverse side of our  
 Confirmation and Production Order.

COMMISSIONS PAYABLE

W000042





# webcraft

MAIL SYSTEMS, INC.

4371 COUNTY LINE ROAD, CHALFONT, PA 18914

REMIT TO: P.O. BOX 23224C NEWARK, NJ 07189

INVOICE

No. 8141

Date 11/07/90

Your  
Order No.



SOLD TO

United Conservatives of America  
C/O The Viguerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043  
ATTN: David Aldrich

SHIP TO

Our Order No. 007574/47988B	Salesman Bob Rathrow	Terms Net 30 days	F.O.B. destination	Date Shipped	Shipped Via
Quantity Ordered	Street Address	City	State	Zip	Country
286,179	<p>Authorized by: David Aldrich</p> <p>Delivered Size: 8.875 x 10.500</p> <p>Single Count: 7.592 x 86.000</p> <p>Printed 3/1 &amp; 2/2 &amp; 3/0 on 50# Offset</p> <p>"4 Postcard Convert"</p> <p>Codes: 13W, 13X, 14A, 14B</p> <p>Thank you, it is our pleasure to serve you!</p> <p>A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.</p>				
		226.21	M		\$ 64,736.55
				NOV 08 1990	
Invoice Total				\$ 64,736.55	

W000043

COMMISSIONS PAYABLE





webcraft

MAIL SYSTEMS, INC.

4371 County Line Road, Chalfont, PA 18914

REMIT TO: P.O. BOX 23224C NEWARK, NJ 07189

JUL 19 1989

INVOICE

0584

No.

Date

07/13/89

Your

UCA-3353

Order No: 1-614

P

Sold To

United Conservatives of America

c/o The Viguerie Company

7777 Leesburg Pike

Falls Church, VA 22

ATTN: Larry Madison

Shipped To

Our Order No.	Salesman	Terms	F.O.B.	Date Shipped	Shipped Via
07574/46698A	W. R. Morrow	per escrow	Destination	07/13/89	US POSTAL
Quantity Ordered	Stock Number Description	Unit Price	Unit	Amount	
	Authorized by: Larry Madison				
	Delivered size: 8.875 x 10.500				
	Single count: 7.592 x 52.000				
	Printed 3/3 and 3/0 on 60# offset				
58,837	"C.A.T.C.H.A."	200.00	M	\$ 11,767.40	
	3rd Class residual included				
	5-digit sort (5,489 pcs)	2.00	M	10.98	
	Additional mailing charges to follow.				
	Thank you, it is our pleasure to serve you.				
	CREDIT TERMS: NET 20 DAYS				
	A service charge of 1% per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.				
	Invoice Total			\$ 11,778.38	

W000008

This invoice is subject to the terms and conditions printed on the face and reverse side of our Confirmation and Production Order.

COMMISSIONS PAYABLE



webcraft

MAIL SYSTEMS, INC.

4371 COUNTRYLINE ROAD, CHALFONT, PA 18911

REG-11 TO: P.O. BOX 23224C NEWARK, NJ 07189

INVOICE

No. 6711

Date 08/29/89

Your  
Order No.  
00A2322

United Conservatives of America  
C/O The Viguerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043  
ATTN: Larry Madison

SEP 11 1989

Our Order No.	Salesman	Terms	F.O.B.	Date Shipped	Shipped Via
007574/47020A	Rob Wickham	NET 30 DAYS	Destination	08/29/89	US POSTAL
Quantity Ordered	Stock Number	Description	Unit Price	Unit	Amount
40,935		Authorized by Larry Madison Delivered size: 7.500 x 10.500 Single count: 7.500 x 60.000 Printed 3/3 and 3/0 600 Offset "C.A.T.C.H.A." Codes: 102, 1073, 1076, 1043 2nd Class Residual Included 3-digit sort (13,560 pcs)	167.10	\$	6,838.57
		Additional mailing charges to follow.			
		Thank you, it is our pleasure to serve you.			
		A service charge of \$1 <sup>00</sup> per month will be assessed on charges not paid within 20 days of the billing date and will continue until the past due amount is paid in full.			
		Invoice Total	\$		6,845.69

This invoice is subject to the terms and conditions printed on the face and reverse side of our Confirmation and Production Order.

COMMISSIONS PAYABLE

W000009

UNITED CONSERVATIVES OF AMERICA  
SECOND ACCOUNT

1043

98-780  
540

Oct 3 19 89

PAY TO THE  
ORDER OF Webcraft

\$ 35,771.50

Thirty-five thousand seven hundred seventy-one and 50/100 ----- DOLLARS

DOMINION  
BANK

Victoria, Va. 22180

FOR mailing, printing catastrophic mail (212,783  
pieces), invoices 6759, 6768, 6711, 6807

#007574

*Richard A. Vigneri*

⑈00001043⑈ ⑈056007604⑈ 70 13814046⑈

W000010

UNITED CONSERVATIVES OF AMERICA  
SECOND ACCOUNT

1152

Nov 21 1989

PAY TO THE  
ORDER OF Webcraft

\$ 6,000.00

Six thousand and no/100

DOLLARS

DOMINION  
BANK



partial pay, invoice 6805 (balance due: 2674.88)  
FOR printing, mailing catastrophic act pkgs.

*Richard A. Vigneri*

⑈00001152⑈ ⑆056007604⑆ 70 13814046⑈

97043795023

W000011



W000012

## UNITED CONSERVATIVES OF AMERICA

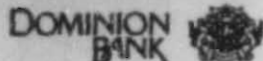
1245

July 25 19 89

PAY TO THE  
ORDER OF Webcraft

\$ 11,431.33

Eleven thousand four hundred thirty-one and 33/100 ----- DOLLARS



Vienna, Va. 22180

#007574

FOR printing, mailing 57,114 pieces (catastrophic  
act), invoice 6600*Richard A. Vigneri*

⑈00001245⑈ ⑆056007604⑆ 70 41804064⑈

## UNITED CONSERVATIVES OF AMERICA

1244

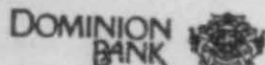
SE-750  
500

July 25 19 89

PAY TO THE  
ORDER OF Webcraft

\$ 11,778.38

Eleven thousand seven hundred seventy-eight and 38/100 ----- DOLLARS



Vienna, Va. 22180

#007574

FOR printing, mailing 58,837 pieces on catastrophic  
act, invoice 6584*Richard A. Vigneri*

⑈00001244⑈ ⑆056007604⑆ 70 41804064⑈

## UNITED CONSERVATIVES OF AMERICA

1236

SE-750  
500

July 20 19 89

PAY TO THE  
ORDER OF Webcraft, Inc.

\$ 32,943.65

Thirty-two thousand nine hundred forty-three and 65/100 ----- DOLLARS



Vienna, Va. 22180

#6539

#007574

FOR printing, mailing 143,655 pieces, catastrophic  
act prospect pkg, invoice 6539*Richard A. Vigneri*

⑈00001236⑈ ⑆056007604⑆ 70 41804064⑈

W0000013

97043795025

UNITED CONSERVATIVES OF AMERICA

1266

58-732  
500

Aug 7 1989

PAY TO THE  
ORDER OF

Webcraft

\$ 1,964.00

One thousand nine hundred sixty-four and no/100 ----- DOLLARS

DOMINION  
BANK



Vienna, Va. 22180

#007574

FOR printing, mailing 9820 pieces on  
catastrophic act, invoice 664

*Richard J. Vigneri*

⑈00001266⑈6056087604⑈70 41804064⑈

97043795026

W000014

ASSOCIATION GROWTH ENTERPRISES, INC.

ESCROW ACCOUNT FOR

UNITED CONSERVATIVES OF AMERICA

4700 STAMP ROAD, SUITE J

TEMPLE HILLS, MD 20748

SEPT. 25 19 90

31

PAY TO THE  
ORDER OF

WEBCRAFT MAIL SYSTEMS, INC.

\$ 925.14

NINE HUNDRED TWENTY FIVE AND 14/100

DOLLARS

SOVRAN BANK.

Sovran Bank / Maryland Bethesda, Maryland 20817  
2151

FOR

⑈00000318⑈ ⑆055002341⑆ 55 0563 0⑈

*John I. M.*

INVOICE

7682

7766

7931

AMOUNT

527.42

156.97

240.75

925.14

AGE Form 200-1, 1 Jan 90

97043795027

W000015



*United Conservatives*

ASSOCIATION GROWTH ENTERPRISES, INC.  
ESCROW ACCOUNT FOR  
UNITED CONSERVATIVES OF AMERICA  
4700 STAMP ROAD, SUITE J  
TEMPLE HILLS, MD 20748

192

JUNE 7 19 90

PAY TO THE  
ORDER OF WEBCRAFT MAIL SYSTEMS, INC.

\$ 3,316.00

THREE THOUSAND THREE HUNDRED SIXTEEN AND 00/100-----DOLLARS

SOVRAN BANK.

Sovran Bank / Maryland Bethesda, Maryland 20817  
2151

FOR #007574 - #7451 - A/C 7655

*John P. May*

⑈00000192⑈ ⑆05500234⑆ 55 0563 0⑈

97043795028

W000016

# 007574

ASSOCIATION GROWTH ENTERPRISES, INC.

man Dep. Co 13

180

ESCROW ACCOUNT FOR  
UNITED CONSERVATIVES OF AMERICA  
4700 STAMP ROAD, SUITE J  
TEMPLE HILLS, MD 20748

MAY 25 19 90

PAY TO THE ORDER OF WEBCRAFT MAIL SYSTEMS, INC.

\$ 6,578.25

SIX THOUSAND FIVE HUNDRED SEVENTY EIGHT AND 25/100----- DOLLARS

SOVRAN BANK.

Sovran Bank / Maryland Bethesda, Maryland 20817  
2151

FOR PARTIAL - INV# 7451

*John Conson*

⑈00000180⑈ ⑆055002341⑆ 55 0563 0⑈

97043795029

W000017

ASSOCIATION GROWTH ENTERPRISES, INC.

ESCROW ACCOUNT FOR  
UNITED CONSERVATIVES OF AMERICA

4700 STAMP ROAD, SUITE J  
TEMPLE HILLS, MD 20748

286

AUGUST 1 19 90

PAY TO THE  
ORDER OF WEBCRAFT MAIL SYSTEMS, INC.

\$ 1,400.00

ONE THOUSAND FOUR HUNDRED DOLLARS AND 00/100----- DOLLARS

SOVRAN BANK.

Sovran Bank / Maryland Bethesda, Maryland 20817

215

FOR 7682 - 800.00  
7766 - 600.00

# ~~000000~~ 000000

*John P. M.*

⑆00000286⑆ ⑆055002341⑆ 55 0563 0⑆

9704379503C

W000018

ASSOCIATION GROWTH ENTERPRISES, INC.

ESCROW ACCOUNT FOR

UNITED CONSERVATIVES OF AMERICA

4700 STAMP ROAD, SUITE J

TEMPLE HILLS, MD 20748

234

50-24  
500

JULY 19 19 90

PAY TO THE  
ORDER OF

WEBCRAFT MAIL SYSTEMS, INC.

\$ 5,000.00

FIVE THOUSAND DOLLARS AND 00/100----- DOLLARS

SOVRAN BANK.

Sovran Bank / Maryland Bethesda, Maryland 20817  
2151

FOR

INV# 7766 - Partial

*John P. m.*

⑈00000234⑈ ⑆05500234⑆ 55 0563 0⑈

97043795031

W000019



# PAYMENT ADVICE

Association Growth Enterprises, Inc.  
4700 Stamp Road, Suite J  
Temple Hills, MD 20748

Date: JUNE 28, 1990

Account: UNITED CONSERVATIVES OF AMERICA

Amount: 21,348.11

Payee: WEBCRAFT MAIL SYSTEMS

Check No: 212

## DESCRIPTION

### INVOICE #

7669  
7682  
7724

### AMOUNT

1,045.26 BALANCE  
12,954.74  
7,348.11 FULL  
21,348.11

AGE Form 200-1, 1 Jan 90

ASSOCIATION GROWTH ENTERPRISES, INC.

ESCROW ACCOUNT FOR

UNITED CONSERVATIVES OF AMERICA

4700 STAMP ROAD, SUITE J

TEMPLE HILLS, MD 20748

*United Conservatives*

212

JUNE 28 1990

PAY TO THE  
ORDER OF

WEBCRAFT MAIL SYSTEMS, INC.

\$ 21,348.11

TWENTY ONE THOUSAND THREE HUNDRED FORTY EIGHT AND 11/100-----DOLLARS

**SOVRAN BANK.**

Sovran Bank / Maryland Bethesda, Maryland 20817  
2151

FOR

*See Attached*

*Jim P. May*

⑈00000212⑈ ⑆055002341⑆ 55 0563 0⑈

W000020

97043795032

ASSOCIATION GROWTH ENTERPRISES, INC.

ESCROW ACCOUNT FOR  
UNITED CONSERVATIVES OF AMERICA

4700 STAMP ROAD, SUITE J  
TEMPLE HILLS, MD 20748

200

JUNE 19 19 90

PAY TO THE  
ORDER OF WEBCRAFT MAIL SYSTEMS

\$ 15,000.00

FIFTEEN THOUSAND DOLLARS AND 00/100-----DOLLARS

SOVRAN BANK.

Sovran Bank / Maryland Bethesda, Maryland 20817  
2151

FOR BALANCE 7655, PARTIAL 7669 607574

*John S. M.*

⑈000000200⑈ ⑆055002341⑆ 55 0563 0⑈

97043795033

W000021

A/E ADJUSTMENT 6/90

PREPARED BY *ACG* 6/8/90

W000022

W000023

FORM 1 (U. S. GOVERNMENT)  
MAY 1964/94  
FTH

WETBERRY PUG,  
AND TRAIL BALANCE REPORT

002524		United Conservation Amer				000	.00	DATE LAST PAID 5/16/91		00X	RET
INSTR	CHRG	JOB NO	DATE	TYPE	AGE	AMT B300	DISTRIBUT	A/R AMT			
5539		46691A	7-07-89	INV	0	32,943.65	✓	32,943.65			
5539		46691A	7-25-89	PMT	0		.00	32,943.65-	.00	CUR	
5534		46691A	7-13-89	INV	0	11,778.38	✓	11,778.38			
5534		46691A	7-26-89	PMT	0		.00	11,778.38-	.00	CUR	
5600		46691A	7-20-89	INV	0	11,431.33	✓	11,431.33			
5600		46691A	7-26-89	PMT	0		.00	11,431.33-	.00	CUR	
5612		46942A	8-14-89	INV	0	83,749.17	✓	83,749.17			
5612		46942A	9-01-89	PMT	0		.00	83,749.17-	.00	CUR	
5641		46691A	8-01-89	INV	0	1,964.00	✓	1,964.00			
5641		46691A	8-11-89	PMT	0		.00	1,964.00-	.00	CUR	
5637		46942A	8-16-89	INV	0	4,564.00	✓	4,564.00			
5637		46942A	9-01-89	PMT	0		.00	4,564.00-	.00	CUR	
6703		46942A	8-26-89	INV	2	4,612.99	✓	4,612.99			
6703		46942A	11-24-89	PMT	2		.00	4,612.99-	.00	OVER60	
6711		47020A	8-29-89	INV	1	6,865.69	✓	6,865.69			
6711		47020A	10-12-89	PMT	1		.00	6,865.69-	.00	OVER30	
6759		47020A	9-06-89	INV	0	24,506.53	✓	24,506.53			
6759		47020A	10-12-89	PMT	0		.00	24,506.53-	.00	CUR	
6768		47020A	9-11-89	INV	0	1,721.26	✓	1,721.26			
6768		47020A	10-12-89	PMT	0		.00	1,721.26-	.00	CUR	
6771		47196A	9-15-89	INV	4	25,733.15		25,733.15			
6771		47196A	6-11-90	ADJ	4	.00	.00	25,733.15-	.00	OVER120	
6797		47020A	9-15-89	INV	4	36,533.99		36,533.99			
6797		47020A	6-11-90	ADJ	4	.00	.00	36,533.99-	.00	OVER120	
6805		47196A	9-18-89	INV	4	1,387.01		1,387.01			
6805		47196A	11-24-89	PMT	4		.00	1,387.01-	.00		
6805		47196A	11-24-89	PMT	4	6,000.00		6,000.00-	.00		
6805		47196A	6-11-90	ADJ	4	.00	.00	7,674.88-	.00	OVER120	

97043795035



FORM 1.0, 02/03/94  
DATE 1/05/94  
TIME 12:14:37

MEMORANDUM FOR  
AFTER HIRE BALANCE REPORT

PAGE 2

6807	47020A	9-18-89	INV	0		2,678.02 ✓	.00	2,678.02		
6807	47020A	10-17-89	PMT	0	2,678.02 ✓		.00	2,678.02-	.00	CUR
6831	47196A	9-21-89	INV	4			.00	60,724.02		
6831	47196A	6-11-90	ADJ	4	.00		.00	60,724.02-	.00	OVER120
7451	47B46B	5-01-90	INV	0			.00	7,134.47		
7451	47B46B	5-26-90	PMT	0 ✓	6,578.25 ✓		.00	6,578.25-		
7451	47B46B	6-11-90	PMT	0 ✓	556.22 ✓		.00	556.22-	.00	CUR
7655	47B46B	5-15-90	INV	0			.00	3,287.65		
7655	47B46B	6-11-90	PMT	0 ✓	2,759.78 ✓		.00	2,759.78-		
7655	47B46B	6-20-90	PMT	0 ✓	527.87 ✓		.00	527.87-	.00	CUR
7669	47B46B	5-21-90	INV	0			.00	15,517.39		
7669	47B46B	6-20-90	PMT	0 ✓	14,472.13 ✓		.00	14,472.13-		
7669	47B46B	6-29-90	PMT	0 ✓	1,045.26 ✓		.00	1,045.26-	.00	CUR
7682	47B46B	5-23-90	INV	4			.00	25,702.44		
7682	47B46B	6-29-90	PMT	4 ✓	12,954.74 ✓		.00	12,954.74-		
7682	47B46B	8-03-90	PMT	4 ✓	800.00 ✓		.00	800.00-		
7682	47B46B	9-26-90	PMT	4	527.42 ✓		.00	527.42-		
7682	47B46B	5-16-91	ADJ	4	.00		.00	76.82-		
7682	47B46B	5-16-91	ADJ	4	.00		.00	11,343.46-	.00	OVER120
7724	47988B	6-08-90	INV	0			.00	7,348.11		
7724	47988B	6-29-90	PMT	0	7,348.11 ✓		.00	7,348.11-	.00	CUR
7766	47988B	6-18-90	INV	4			.00	8,079.68		
7766	47988B	7-20-90	PMT	4	5,000.00 ✓		.00	5,000.00-		
7766	47988B	8-03-90	PMT	4	600.00 ✓		.00	600.00-		
7766	47988B	9-26-90	PMT	4	156.97 ✓		.00	156.97-		
7766	47988B	5-16-91	ADJ	4	.00		.00	2,342.71-	.00	OVER120
7931	47988B	8-16-90	INV	4			.00	1,570.15		
7931	47988B	9-26-90	PMT	4	240.75 ✓		.00	240.75-		
7931	47988B	5-16-91	ADJ	4	.00		.00	1,329.40-	.00	OVER120
8141	47988B	11-07-90	INV	4			.00	64,736.55		
8141	47988B	5-16-91	ADJ	4	.00		.00	64,736.55-	.00	OVER120
UNAPPLIED CRD	UNAPPLIED PMT	CURRENT	OVER 30	OVER 60	OVER 90	OVER 120				
.00	.00	.00	.00	.00	.00	.00	**** CUSTOMER TOTALS			

9 7 0 4 3 7 9 5 0 3 6

11300 T H. 04/03/91  
06/01 1/05/94  
1112

MEDICAL FEE,  
AND DENTAL BALANCE REPORT

W000025

PAGE 1

06/25/94	United Conservation Amer				DATE	.00	DATE LAST PAID	5/16/91	00%	NET
INVOICE	CONTR	JOB #	DATE	TYPE	AGE	AMT RECD	DISCOUNT	A/R AMT		
2539	46698A	7-07-89	INV	0				32,943.65		
2539	46698A	7-25-89	PMT	0		32,943.65	.00	32,943.65-	.00	CUR
2534	46698A	7-13-89	INV	0				11,778.38		
2534	46698A	7-26-89	PMT	0		11,778.38	.00	11,778.38-	.00	CUR
2600	46698A	7-20-89	INV	0				11,431.33		
2600	46698A	7-26-89	PMT	0		11,431.33	.00	11,431.33-	.00	CUR
2612	46942A	8-14-89	INV	0				83,749.17		
2612	46942A	9-01-89	PMT	0		83,749.17	.00	83,749.17-	.00	CUR
2641	46698A	8-01-89	INV	0				1,964.00		
2641	46698A	8-11-89	PMT	0		1,964.00	.00	1,964.00-	.00	CUR
2687	46942A	8-16-89	INV	0				4,564.00		
2687	46942A	9-01-89	PMT	0		4,564.00	.00	4,564.00-	.00	CUR
2703	46942A	8-26-89	INV	2				4,612.99		
2703	46942A	11-24-89	PMT	2		4,612.99	.00	4,612.99-	.00	OVER60
2711	47020A	8-29-89	INV	1				6,865.69		
2711	47020A	10-12-89	PMT	1		6,865.69	.00	6,865.69-	.00	OVER30
2729	47020A	9-06-89	INV	0				24,506.53		
2729	47020A	10-12-89	PMT	0		24,506.53	.00	24,506.53-	.00	CUR
2768	47020A	9-11-89	INV	0				1,721.26		
2768	47020A	10-12-89	PMT	0		1,721.26	.00	1,721.26-	.00	CUR
2771	47196A	9-15-89	INV	4				25,733.15		
2771	47196A	6-11-90	ARJ	4		.00	.00	25,733.15-	.00	OVER120
2797	47020A	9-15-89	INV	4				36,533.99		
2797	47020A	6-11-90	ARJ	4		.00	.00	36,533.99-	.00	OVER120
2805	47196A	9-18-89	INV	4				10,081.89		
2805	47196A	11-24-89	PMT	4		1,387.01	.00	1,387.01-		
2805	47196A	11-24-89	PMT	4		6,000.00	.00	6,000.00-		
2805	47196A	6-11-90	ARJ	4		.00	.00	2,674.88-	.00	OVER120

97043795037

W000026

 PERS. L. D. ARD/SHR  
 DATE 1/25/94  
 TIME 12:14:02

 MEDICAL FIG.  
 GROSS TOTAL DEDUCTION REPORT

Page 2

UNAPPLIED CRD	UNAPPLIED PMT	CURRENT	OVER 30	OVER 60	OVER 90	OVER 120	**** CUSTOMER TOTALS
6802	470700	9-18-89 INU 0			2,678.02		
6802	470700	10-17-89 PMT 0	2,678.02	.00	2,678.02		
						.00	CUR
6831	471950	9-11-89 INU 4			60,724.02		
6831	471950	6-11-90 ADJ 4	.00	.00	60,724.02		
						.00	OVER120
7451	470460	5-01-90 INU 0			7,134.47		
7451	470460	5-26-90 PMT 0	6,578.25	.00	6,578.25		
7451	470460	6-11-90 PMT 0	556.22	.00	556.22		
						.00	CUR
7625	470460	5-15-90 INU 0			3,287.65		
7625	470460	6-11-90 PMT 0	2,759.78	.00	2,759.78		
7625	470460	6-20-90 PMT 0	527.87	.00	527.87		
						.00	CUR
7669	470460	5-21-90 INU 0			15,517.39		
7669	470460	6-20-90 PMT 0	14,472.13	.00	14,472.13		
7669	470460	6-29-90 PMT 0	1,045.26	.00	1,045.26		
						.00	CUR
7682	470460	5-23-90 INU 4			25,702.44		
7682	470460	6-29-90 PMT 4	12,954.74	.00	12,954.74		
7682	470460	8-03-90 PMT 4	800.00	.00	800.00		
7682	470460	9-26-90 PMT 4	527.42	.00	527.42		
7682	470460	5-16-91 ADJ 4	.00	.00	76.82		
7682	470460	5-16-91 ADJ 4	.00	.00	11,343.46		
						.00	OVER120
7724	479000	6-08-90 INU 0			7,348.11		
7724	479000	6-29-90 PMT 0	7,348.11	.00	7,348.11		
						.00	CUR
7766	479000	6-18-90 INU 4			8,099.68		
7766	479000	7-20-90 PMT 4	5,000.00	.00	5,000.00		
7766	479000	8-03-90 PMT 4	600.00	.00	600.00		
7766	479000	9-26-90 PMT 4	156.97	.00	156.97		
7766	479000	5-16-91 ADJ 4	.00	.00	2,342.71		
						.00	OVER120
7931	479000	8-16-90 INU 4			1,570.15		
7931	479000	9-26-90 PMT 4	240.75	.00	240.75		
7931	479000	5-16-91 ADJ 4	.00	.00	1,329.40		
						.00	OVER120
8841	479000	11-07-90 INU 4			64,736.55		
8841	479000	5-16-91 ADJ 4	.00	.00	64,736.55		
						.00	OVER120

97043795038

007574 United Conservatives Amer						DUE	79,828.94	DATE LAST PAID	9/26/90	00%	NET
INVNR	CRONO	JOB NO	DATE	TYPE	AGE	AMT RCVD	DISCOUNT	A/R AMT			
7682		47846B	5-23-90	INV	4			25,702.44			
7682		47846B	6-29-90	PMT	4	12,954.74	.00	12,954.74-			
7682		47846B	8-03-90	PMT	4	800.00	.00	800.00-			
7682		47846B	9-26-90	PMT	4	527.42	.00	527.42-			
								11,420.28			OVER120
7766		47988B	6-18-90	INV	4			8,099.68			
7766		47988B	7-20-90	PMT	4	5,000.00	.00	5,000.00-			
7766		47988B	8-03-90	PMT	4	600.00	.00	600.00-			
7766		47988B	9-26-90	PMT	4	156.97	.00	156.97-			
								2,342.71			OVER120
7931		47988B	8-16-90	INV	4			1,570.15			
31		47988B	9-26-90	PMT	4	240.75	.00	240.75-			
								1,329.40			OVER120
8141		47988B	11-07-90	INV	2			64,736.55			
								64,736.55			OVER60
UNAPPLIED CRD						UNAPPLIED PMT	CURRENT	OVER 30	OVER 60	OVER 90	OVER 120
.00						.00	.00	.00	64,736.55	.00	15,092.39 **** CUSTOMER TOTALS



OGC #229

February 23, 1994

Scott E. Thomas  
Chairman  
Federal Election Commission  
999 E Street, NW  
Washington, D.C. 20463

RE: MUR 3841

RECEIVED  
FEDERAL ELECTION COMMISSION  
94 FEB 24 PM 2:41

Dear Mr. Thomas:

In response to the FEC letter/subpoena dated December 22, 1993 (MUR: 3841), I have assembled all the documents relating to the FEC's interest/relationship between The Viguerie Company, American Mailing List and Webcraft Technologies during the time in question that I could find in UCA files.

#### II. Request for Documents:

I have exhausted every effort to search all files, computer disks and storage boxes as well as numerous requests for documentation from the aforementioned entities involved.

As you can plainly see, only a few documents/agreements between UCA and Webcraft were located after an extensive effort.

After conversations with Webcraft's attorney (Lourie Fulton) I was informed that they (Webcraft) did not retain or could not locate any agreements or contracts between UCA and Webcraft on file.

Regarding The Viguerie Company, I spoke to a Senior vice-president, Jeb Carney, who stated they search for lease agreements, rental contracts, telephone and rent bills to UCA and that none were found. I contacted Mr. Carney on several other occasions to follow up but he did not respond to my inquiries.

Recently I spoke to Mr. Viguerie and his attorney who informed me that they received a letter/subpoena for documents from the FEC and that they felt that their search and compliance would be sufficient and that reproducing documents for UCA's files was not warranted at this time.

Finally, American Mailing List has also failed to produce the documents in question which cover the time in question.

#### IV. Order to Answer Questions:

- #1.) Relationship between UCA, Viguerie Co., AMLC and Webcraft? My understanding as explained to me when I came on board was, that only Richard Viguerie was associated with UCA as chairman, the Viguerie Co. as President and AMLC also as president. The chief operation officer of AMLC, Earl Chester, to my knowledge, was never associated with UCA. As for Webcraft officers/employees, it was also my understanding that no employees or officers were involved with UCA at any time as a director or employee. As for leases, my understanding was that UCA was renting office space, telephones and copying privileges from the Viguerie Co. to which UCA was billed monthly and which Mr. Viguerie approved or deferred payment. As to the location of the UCA office, when I came on board (after the time in question) UCA was renting space on the first floor 7777 Leesburg Pike, Falls Church, VA, while the Viguerie CO. was located on the fourth floor. Prior to this agreement, I do not know where, or which office UCA was operating out of.

received  
2/23/94

9704379504C

- #2.) UCA administration office location? When I came on board (July 1, 1990) UCA was operating out suite 100 (first floor) 7777 Leesburg Pike. Prior to this time I have no knowledge of the exact location. I could not find any specific record/documentation regarding office location other than verbal confirmation from Mr. Viguerie that UCA was operation out of office space within the 7777 Leesburg address in Falls Church.
- #3.) Owners/lessors of UCA occupied/rented space during time in question? To my knowledge UCA was renting from the Viguerie Co. from its founding, which is during the time in question.

I have also included a copy of the correspondence to Robert J. Costa, Asst. Staff Dir. for the FEC Audit Division which out lines in more detail on UCA operations and billing and relationships between the Viguerie Co., AMLC and Webcraft.

In closing, since I was not associated with UCA prior to July '90 date, I hereby state for the record that I was not associated or participated in any operations (contracts, agreements or other business dealings) between or on behalf of any of the organizations and or companies mentioned herein.

I hereby state that this information is true and accurate to the best of my knowledge.

Sincerely,

Robert G. Mills

97043795041

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)  
)  
)  
)

MUR 3841


SUBPOENA TO PRODUCE DOCUMENTS  
ORDER TO SUBMIT WRITTEN ANSWERS

TO: United Conservatives of America  
300 I Street, N.E.  
Washington, D.C.

Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above captioned matter, the Federal Election Commission hereby orders you to submit a written answer to the question attached to this Order and subpoenas you to produce the documents listed on this Subpoena.

Notice is given that these documents and answers must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 20 days of your receipt of this subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set hand in Washington, D.C. on this *22nd* day of *December*, 1993.

  
\_\_\_\_\_  
Scott E. Thomas, Chairman  
Federal Election Commission

ATTEST:

*for Delores Hardy*  
\_\_\_\_\_  
Marjorie W. Emmons  
Secretary to the Commission

97043795042



## UNITED CONSERVATIVES OF AMERICA

Robert J. Costa  
Assistant Staff Director  
for the Audit Division  
Federal Election Commission  
999 E. Street, NW  
Washington, D.C. 20463

Dear Mr. Costa:

Enclosed please find the UCA response to the Sept. 17, 1992 Interim Report of the Audit Division on United Conservatives of America.

I have compiled the information regarding the loans and the itemization of those loans onto schedules A and C as indicated.

Although not mentioned, I am in the process of ammeding the UCA reports from the outset up to the present as it would pertain to the summary pages. I estimate that this process will be completed and in the FEC office no later than Dec. 31, 1992.

In response to Report II. D. (Apparent Corp. Contributions):

No. 1. : Rent and Phone Expenses: The period in question Jan. 1, 1989 - July 31, 1989 -- I was told by the Founder// then Chairman, Richard A. Viguerie that the Administrative costs were included in invoices which also listed Direct Mail fees. The Viguerie Co. Accounting team has looked for duplicate copies of these invoices and to date have not produced them. I have looked through all of UCA's records and cannot locate these invoices. Records apparently were lost or destroyed after they were paid I am told from those who were running the organization prior to my association with UCA.

As I am told, the committee moved to 7777 Lessburg Pike in March of 1989. The space in question was located in an office on the first floor. The Viguerie Co. was located in the same building on the forth floor.

In response to the rent charges I've enclosed a copy of a Viguerie and Associates statement which shows administrative costs for rent and phones (Attachement 1). All rent and phone expenses were reported per invoices received.



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II. D. NO. 2: Extension of Credit: During the time in question, the Chairman of UCA, Richard Viguerie, authorized all payments to vendors and all expenses including rent and phone bills. To my knowledge, all expenses for rent and phones were either paid or recorded as debt on all reports per the invoices received from TVC.

Regarding AMLC, the debt incurred during the audit period was run up before my watch and it was my understanding that per several conversations with Richard Viguerie and Earl Chester that this debt amount was not unusual for AMLC to allow and that it was normal business practice. All list rental agreements and arrangements were agreed to and solely conducted between Richard Viguerie and Earl Chester.

In response to the Webcraft outstanding balance discrepancy, the statement sent to UCA showed a balance of \$79,828.94. After reviewing the Audit report and the UCA records I also discovered the difference in amounts. It appears as though the audit staff reported the correct figures and I have used them in future reporting. I've contacted Webcraft and asked for an accounting of receivables from UCA and to date they have not responded with the necessary documentation. I will forward this information upon receiving the proper paper work.

Recommendation #4:

Point one: the Viguerie Co. has not responded to date with itemized invoices which they claim substantiates services from rent and phone costs.

Point two: I have checked the files and cannot find any rental agreements in the records. The Viguerie Co. has been unable to locate and supply these agreements to date, however, they state that the necessary records exist in storage and will provide these documents before the first of the year.

Point Three: I've enclosed the copies of contracts between UCA and TVC, AMLC, and Webcraft. the only exception is AMLC which states that the invoices represent the contract and that there is no other need for a long standing contract.

Point four: Due to the need to change location in order to reduce UCA overhead, the cancelled checks you require for documenting payments to the vendors mentioned have not been located and restructuring this paper trail will take additional time since I will need the cooperation the vendors in question. I would estimate having the records together no-later than Jan. 15, 1993.

Point Five: Enclosed is a statement which lists rent and phone expenses. Should you need a complete listing of these charges, I've instructed the Viguerie Co. to print out an activity statement which shows charges and payments, this document should be ready by the end of the year.

Point Six: V&A and Viguerie and Associates are one in the same.

Point Seven: The Viguerie Co. and AMLC have been located at 7777 Leesburg Pike Suite 400 during the time in question. As for UCA, I became associated with the organization in April of 1990 and it was located at 7777 Leesburg Pike suite 101. As mentioned before the rental agreements for UCA have been requested upon several occasions and to date have not been recieved. I was assured that these documents exist and would be provided by the end of the year. In the month of Aug., 1991 UCA moved to 12500 Fair Lakes Cir. in Chantilly VA. (Doc. enclosed rent and phone bills ) actual rental agreement misplaced and copy requested from landlord. Will have copy by end of year. UCA moved to 1487 Chain Bridge Road in Jan. 1992 (copy of page one of lease enclosed) and later that year moved to 300 I Street NE Washington, D.C. (Doc. misplaced and copy requested, will have to FEC by end of year). Current address 768 Walker Road, Suite 290, Great Falls VA 22066.

Point Eight: Only Richard A. Viguerie was associated with UCA as a Director of the Board (Corp. Doc. Enclosed).

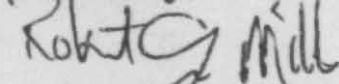
Point Nine: Documentation requested and to date they have not complied.

Point Ten: Enclosed is last statement, further documentation has been requested and to date not received, should have this documentation by end of year.

As the documentation becomes available I will foreward the inf information to you.

Please contact me in writing at the following new UCA address should you have any further questions: 768 Walker Road, Suite 290, Great Falls, VA 22066.

Sincerely,



Robert E. Mills  
Chairman

CC: Pual Sullivan  
Bruce Richards

97043795045

# AMENDMENT TO ESCROW AGREEMENT

By and Between  
Webcraft Technologies, Inc.  
and  
United Conservatives of America

The following terms and conditions will apply to any and all mailings produced by Webcraft Technologies, Inc. ("WTI") for United Conservatives of America ("UCA") beginning on May 15, 1990:

1. Payment terms for UCA's mailings will be extended to thirty (30) days from the date of WTI's invoices, under the 75%/25% arrangement. *HC*
2. Any past due WTI invoices (invoices not paid within 30 days) will be paid out of defaulting UCA's future unrestricted funds on a proportional basis to any other unpaid restricted agreement.
3. BRE postage, escrow agent's fees, and caging fees will be paid for before restricting funds to pay WTI's invoices.
4. Escrow agents will provide WTI and UCA with weekly statements showing amount held as restricted funds for UCA and each WTI invoice.
5. Credit terms for UCA will be reviewed on a semi-annual basis, June 30th and December 31st.
6. WTI will send copies of invoices to escrow agents and UCA Controller, with invoice originals going to UCA Accounting Department.

This Amendment supersedes any coinciding terms contained in the original Escrow Agreement between the parties.

By signing this Agreement, WTI and UCA give their consent to all escrow agents to enforce the amended terms stated above for any escrow agreements previously executed.

ATTEST:

By: Edda Gallant

Date: 5/30/90

FOR WEBCRAFT TECHNOLOGIES:

By: Norman Croton

Date: 5/30/90

[SEAL]

ATTEST:

By: Tamara Wood

Date: 5.24.90

FOR UNITED CONSERVATIVES OF AMERICA:

By: Richard A. Virginia

Date: May 24, 1990

[SEAL]

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AMENDMENT  
May 1, 1990  
Page 2

ATTEST:

By: Ram Schaefer  
Date: 6/14/90

FOR ASSOCIATION GROWTH ENTERPRISES:

By: John P. May  
Date: 6/14/90

[SEAL]

For UCA

97043795047



ESCROW AGREEMENT

THIS ESCROW AGREEMENT, made this 16<sup>th</sup> day of Jul, 1990 by and between WEBCRAFT TECHNOLOGIES, INC., ("VENDOR"), THE VIGUERIE COMPANY ("TVC" and Association Growth Enterprises, Inc. ("AGENT") on behalf of UNITED CONSERVATIVES OF AMERICA ("UCA").

WITNESSETH:

WHEREAS, from time to time TVC shall place a purchase order to purchase from Webcraft certain direct mailing services (THE PROGRAMS) upon terms and conditions more fully set forth therein, and

WHEREAS, the parties desire that all funds received as a result of THE PROGRAMS be received by AGENT In accordance with the terms hereof.

NOW, THEREFORE, in consideration of the premises, and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. All funds received as a result of THE PROGRAMS run by TVC on behalf of UCA (the "FUNDS") shall be held by AGENT and disbursed in accordance with the terms and provisions hereof.

2. WEBCRAFT agrees to provide AGENT with a list of all mailcodes related to each of THE PROGRAMS to allow Agent to properly identify and restrict the funds.

3. AGENT shall promptly disburse from the FUNDS according to the following:

Following each mail drop of the job, the Escrow Agent will disburse at the end of each week any and all money returns on the job according to a 75/25 split, Webcraft receiving 75% and UCA receiving 25%.  
*aav*

When an invoice has been paid in full, subsequent funds generated from that job will be freed by AGENT to be disbursed per original client contract.

4. AGENT shall provide TVC and WEBCRAFT a weekly written statement until WEBCRAFT is paid in reference to #3 (three) of the agreement of all monies received and disbursed by AGENT.

5. The compensation of AGENT shall be established by TVC and AGENT. AGENT's fees for lockbox and escrow services it performs under THE PROGRAMS, notwithstanding any other provision of this Agreement, shall be deducted from the Funds after invoicing TVC of such lockbox and escrow services.  
*a.a.v.*

97043795048

6. Provided that the AGENT shall hold and administer the FUNDS in accordance with the terms of this Agreement, TVC and WEBCRAFT do hereby hold AGENT harmless from and against any claim or demand made against AGENT by reason of the delivery of monies to AGENT.

7. No party may assign or delegate its rights and/or obligations under this Agreement without the express written consent from the other parties.

8. This agreement shall be terminated upon payment in full of all outstanding TVC invoices for THE PROGRAMS received by AGENT.  
(on behalf of UCA) *RAV*

9. All notices required hereunder shall be in writing, hand delivered or mailed by certified mail, return receipt requested to the Parties, as follows:

if to WEBCRAFT: Mr. Norm Croteau  
Webcraft Technologies, Inc.  
Route 1 & Adams Station  
North Brunswick, NJ 08902

if to TVC: Mr. Bob Garvey  
The Viguerie Company  
7777 Leesburg Pike  
Falls Church, VA 22043

if to AGENT: Mr. John May  
Association Growth Enterprises, Inc.  
4700 Stamp Road, Suite J  
Temple Hills, MD 20748

10. TVC and/or WEBCRAFT shall be entitled to inspect all financial records of AGENT with respect to the receipts and disbursements as may relate to this Agreement as such reasonable times as TVC and/or WEBCRAFT may request.

11. This Agreement may only be amended in writing, signed by all parties hereto. The failure of any party hereto to exercise any of its rights, either in law or equity shall not constitute or be deemed a waiver by such party of any subsequent or other default hereunder.

Addendum to paragraph 8: Notwithstanding the foregoing, in no event, shall the term of this agreement extend beyond December 31, 1990.

*RAV*

IN WITNESS WHEREOF, each of the parties hereto have caused this Agreement to be executed and delivered as of the day and year first above written.

ATTEST:

By: Maria A. DUK  
Date: 2/16/90

WEBCRAFT TECHNOLOGIES, INC.:

By: Norman Croten (Seal)  
Date: 2/16/90

ATTEST:

By: Robert Hamer  
Date: 2/27/90

THE VIGUERIE COMPANY:

By: Arthur A. Viguerie (Seal)  
Date: 2-27-90

ATTEST:

By: Don Schaefer  
Date: 2/27/90

ASSOCIATION GROWTH ENTERPRISES, INC.:

By: John L. W. (Seal)  
Date: 2-27-90

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A Bell Atlantic Company  
C&P Telephone

Oct 16 1991  
Acct 703 803 6241 026 16

Cut-Off Notice

Payment of \$ 465.39 on your bill has not been received. In order to avoid interruption, payment must be received by OCT 24. If service is interrupted, a restoral charge of \$25.94 will apply. Service will be restored within 24 hours. A new or additional deposit may also be required. If payment is not received within 10 days after interruption, your service will be disconnected. A charge will apply to reinstall it. If payment has been made, please disregard this notice.

If you have any questions about this notice, please call 954-6100.  
Calls from areas other than Maryland, Virginia, Washington, D.C. or West Virginia, dial 1 304 954-6100.

A Bell Atlantic Company  
C&P Telephone

Oct 16 1991  
Acct 703 803 6241 026 16

Payment Page

Send with your payment

Amount Due

\$465.39

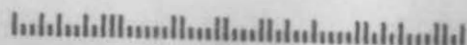
Please pay:  
C&P Telephone  
By Oct 24

008983 1 ZN 0.276 000178 05  
UNITED CONSERVATIVES  
OF AMERICA  
SUITE 125  
12500 FAIRLAKES CIR  
FAIRFAX VA 22033-3815

P.O. Box 27783  
Richmond, VA 23272-7783

Questions call  
954-6100

01870308036241026000000500010244000000000000000046539300000





(Attachment 1)

FROM FIGUERIE & ASSOCIATES

TO: CASTLE CORP./RBU

DEC 5, 1991

5:00PM P.03

97043795052

ailed Aged Trial Balance for Customers [UCA] to [UCA] as of Dec 05 91  
 Users with all control accounts.

Invoice	Invoice	Invoice	Invoice	Invoice	Invoice	Invoice	Invoice	Invoice
Customer Name	Number	Date	TP	Current	30 - 60 Days	60 - 90 Days	Over 90 Days	Total
UCA UNITED CONSERVATIVES OF AMER.	10120	Feb 07 91	IN				761.00	
	10175	Feb 12 91	IN				18.50	
	10267	Mar 04 91	IN				20.50	
	10287	Mar 08 91	IN				282.69	
	10510	Apr 30 91	IN				98.80	
	10579	May 07 91	IN				8.00	
	10599	May 16 91	IN				722.45	
	10736	Jun 25 91	IN				320.20	
	10826	Jul 24 91	IN				177.68	
	10884	Aug 06 91	IN				722.45	
	11003	Aug 28 91	IN				703.75	
	11017	Aug 30 91	IN				66.71	
	11081	Sep 18 91	IN			184.33		
	11105	Sep 20 91	IN			4.04		
	11107	Sep 26 91	IN			52.20		
	11180	Oct 06 91	IN			96.40		
	11192	Oct 09 91	IN		26.25			
	11309	Nov 20 91	IN	122.00				
er Credit Limit of	0 Dollars	Customer Totals		122.00	26.25	317.29	3,304.93	3,770.47
GA				122.00	26.25	317.29	3,304.93	3,770.47
signed				0.00	0.00	0.00	0.00	0.00
signed				0.00	0.00	0.00	0.00	0.00
signed				0.00	0.00	0.00	0.00	0.00
signed				0.00	0.00	0.00	0.00	0.00
				122.00	26.25	317.29	3,304.93	3,770.47
				3.24 I	0.70 I	9.42 I	87.65 I	

rent & phones

# UNITED CONSERVATIVES OF AMERICA



## ESCROW AGREEMENT

May 17, 1990

### OFFICERS

Richard A. Viguiera  
Chairman  
James L. Martin  
President  
Guy Rodgers  
Executive Director  
Steve Allen  
Communications Director

### ADVISORY BOARD

L. Brent Bossell III  
Executive Director  
Conservative Victory Committee  
Mrs. St. John Garwood  
Member of the Board  
Accuracy in Media  
H. Robinson Gowsley  
Vice President  
Clark/Barden  
Dr. Robert Grant  
Chairman  
Christian Voice  
Paul J. Harris  
President  
Paul J. Harris Associates  
Gary L. Jarmin  
President  
Jar-Mon Consultants  
Dr. D. James Kennedy  
Coral Ridge  
Presbyterian Church  
Dr. Tim LaHaye  
President  
Family Life Seminars  
Phillip A. Luce  
President  
Americans For A Sound Foreign Policy  
E.E. "Ed" McAteer  
Chairman  
Religious Roundtable  
Joe McCutchen  
President  
Joe McCutchen's Health Services  
Howard Phillips  
Chairman  
The Conservative Caucus, Inc.  
Charles A. Thomas, Jr.  
Helicon Foundation  
Jon Basil Utley  
The Times of the Americas  
Dr. J. Myron Auld, Jr.  
Ray P. Beck  
Leon Beekun  
Howard Bickel  
Dr. G. Houston Boone  
Thomas A. Bolen  
Orin Bowers  
Michael Wayne Brown, MD  
Martin J. Busase  
Christopher C. Dewey  
H.E. Gensley  
Dr. John Hartford  
Edna Wilson Hamner  
Walter Kaufman  
Dr. D. James Kennedy  
Thelma Kinula  
Paul J. LaFleur, Jr.  
Arlo W. Mathew  
Le Yonne D. Mulrooney  
Thomas Francis Murphy, MD  
Anna R. Perkins  
Robert Savage  
Gerrit Schaeffer  
Richard Shuff  
Walter A. Stevers  
Charles Sundt  
Charles Weber  
Mrs. Sidney Wehert

\*partial listing

Titles for  
identification  
purposes only.

Mary Ann Watkins agrees to loan United Conservatives of America (UCA) the sum of \$ 2600.00 in consideration for 2% (two percent) origination and 1 1/2% interest. Funds will be restricted by prorating a share proportional to the total postage loaned for these mail codes 811 81M 13P. Repayment will occur when funds for the entire amount due have been escrowed by agent (\$ 2691.00). If loan has not been repaid by the 30th day, than remaining balance will be rolled over into a new loan resulting in a 2% origination and 1 1/2% interest charge. Funds will then be collected from unrestricted monies to repay the balance due.

Signed:

Robert G. Mills

Robert G. Mills, United  
Conservatives of America,  
Executive Director

# UNITED CONSERVATIVES OF AMERICA



## ESCROW AGREEMENT

May 17, 1990

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Robert Savage  
Gertrude Schaffner  
Richard Shuff  
Walter A. Stevens  
Charles Stentz  
Charles Weber  
Mrs. Sidney Webb

\*partial listing

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Frank Watkins agrees to loan United Conservatives of America (UCA) the sum of \$ 5000.00 in consideration for <sup>3%</sup>~~2%~~ (two percent) origination and 1 1/2% interest. Funds will be restricted by prorating a share proportional to the total postage loaned for these mail codes 13P, 13S, 13R, 13Q. Repayment will occur when funds for the entire amount due have been escrowed by agent (\$ 5225.00). If loan has not been repaid by the 30th day, than remaining balance will be rolled over into a new loan resulting in a 2% origination and 1 1/2% interest charge. Funds will then be collected from unrestricted monies to repay the balance due.

Signed:

Robert G. Mills

Robert G. Mills, United  
Conservatives of America,  
Executive Director

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# UNITED CONSERVATIVES OF AMERICA



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May 17, 1990

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Thomas Kautman  
Paul J. Luffert, Jr.  
Arlo W. Satter  
Le Vonne D. Skelton  
Thomas Francis Murphy, MD  
Anna R. Perkins  
Robert Savage  
Gordon Schaffner  
Richard Shoff  
Walter A. Stowers  
Charles Stenlund  
Charles Stenlund  
Mrs. Sidney Whitwell

Personal listing

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purposes only

Bob & Gabrielle Rudderow agrees to loan United Conservatives of America (UCA) the sum of \$5000<sup>00</sup> in consideration for 2% (two percent) origination and 1 1/2% interest. Funds will be restricted by prorating a share proportional to the total postage loaned for these mail codes 81L, 81M, 13P, 13S, 13R, 13Q. Repayment will occur when funds for the entire amount due have been escrowed by agent (\$5,175<sup>00</sup>). If loan has not been repaid by the 30th day, than remaining balance will be rolled over into a new loan resulting in a 2% origination and 1 1/2% interest charge. Funds will then be collected from unrestricted monies to repay the balance due.

Signed:

Robert G. Mills

Robert G. Mills, United  
Conservatives of America,  
Executive Director

rd.



# UNITED CONSERVATIVES OF AMERICA



## ESCROW AGREEMENT

May 17, 1990

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Leon Beekun  
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Orin Brower  
Michael Wayne Brown, MD  
Martin J. Bussars  
Christopher C. Dewey  
H.E. Garstley  
Dr. John Hartford  
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Dr. G. James Kennedy  
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Paul J. Lafferty, Jr.  
Arlo W. Mather  
La Verne D. Mulvaney  
Thomas Francis Murphy, MD  
Anna R. Perkins  
Robert Savage  
Gertrude Schaffner  
Richard Shull  
Walter A. Stevens  
Charles Soudoff  
Charles Water  
Mrs. Sidney Wetherill

\*partial listing

Titles for  
identification  
purposes only.

Tim & Nancy McHiz agrees to loan United Conservatives of America (UCA) the sum of \$ 5000<sup>00</sup> in consideration for 2% (two percent) origination and 1 1/2% interest. Funds will be restricted by prorating a share proportional to the total postage loaned for these mail codes 814, 817, 839, 135, 138, 130. Repayment will occur when funds for the entire amount due have been escrowed by agent (\$ 5175<sup>00</sup>). If loan has not been repaid by the 30th day, than remaining balance will be rolled over into a new loan resulting in a 2% origination and 1 1/2% interest charge. Funds will then be collected from unrestricted monies to repay the balance due.

Signed:

Robert G. Mills

Robert G. Mills, United  
Conservatives of America,  
Executive Director

# UNITED CONSERVATIVES OF AMERICA



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May 17, 1990

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Walter Kaufman  
Dr. D. James Kennedy  
Thelma Knoube  
Paul J. LaFleur, Jr.  
Arlis W. Mather  
Le Vonne G. Mulhoney  
Thomas Penelope Murphy, MD  
Anna R. Perkins  
Robert Savage  
Gertrude Schellner  
Richard Shoff  
Walter A. Stevens  
Charles Spauldell  
Charles Walser  
Mrs. Sidney Weatherill

\*partial listing

Titles for  
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purposes only.

Jeremy E. Fleener Saurice agrees to loan United Conservatives of America (UCA) the sum of \$2,900<sup>00</sup> in consideration for 2% (two percent) origination and 1 1/2% interest. Funds will be restricted by prorating a share proportional to the total postage loaned for these mail codes 8/L, 8/M, 13P, 13S, 13R, 13Q. Repayment will occur when funds for the entire amount due have been escrowed by agent (\$3001.<sup>50</sup>). If loan has not been repaid by the 30th day, than remaining balance will be rolled over into a new loan resulting in a 2% origination and 1 1/2% interest charge. Funds will then be collected from unrestricted monies to repay the balance due.

Signed:

Robert G. Mills

Robert G. Mills, United  
Conservatives of America,  
Executive Director

pd

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Ray P. Beck  
Loren Beasley  
Howard Blument  
Dr. G. Newton Solos  
Thomas A. Golen  
Orin Bowers  
Michael Wayne Brown, MD  
Martin J. Butson  
Christopher C. Darvey  
H.E. Gensley  
Dr. John Hartford  
Edna Wilson Hamner  
Walter Kaufman  
Dr. D. James Kennedy  
Thomas Krause  
Paul J. LaPier, Jr.  
Arlo W. Mather  
Le Yonne D. Mulrooney  
Thomas Francis Murphy, MD  
Anna R. Perkins  
Robert Savage  
Gertrude Schaffner  
Richard Short  
Walter A. Stevens  
Charles Stendahl  
Charles Weber  
Mrs. Sidney Wetherill

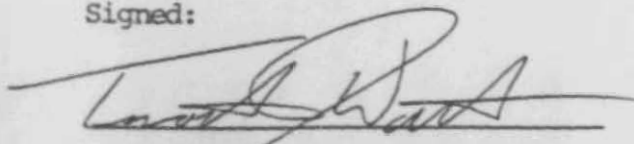
\*partial listing

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*Accounting Services & Management Consulting*

AKA Timothy Twitkins agrees to loan United Conservatives of America (UCA) the sum of \$ 1400<sup>00</sup> in consideration for 2% (two percent) origination and 1 1/2% interest. Funds will be restricted by prorating a share proportional to the total postage loaned for these mail codes 81L, 81M, 13P, 13S, 13R, 13Q. Repayment will occur when funds for the entire amount due have been escrowed by agent (\$ 1449<sup>00</sup>). If loan has not been repaid by the 30th day, than remaining balance will be rolled over into a new loan resulting in a 2% origination and 1 1/2% interest charge. Funds will then be collected from unrestricted monies to repay the balance due.

Signed:

  
Robert G. Mills

Robert G. Mills, United  
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Executive Director

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ESCROW AGREEMENT

May 17, 1990

Jim Watkins agrees to loan United Conservatives of America (UCA) the sum of \$ 2500.00 in consideration for 2% (two percent) origination and 1 1/2% interest. Funds will be restricted by prorating a share proportional to the total postage loaned for these mail codes 81L, 81M. Repayment will occur when funds for the entire amount due have been escrowed by agent (\$ 2587.50 ). If loan has not been repaid by the 30th day, than remaining balance will be rolled over into a new loan resulting in a 2% origination and 1 1/2% interest charge. Funds will then be collected from unrestricted monies to repay the balance due.

Signed:

Robert G. Mills

Robert G. Mills, United  
Conservatives of America,  
Executive Director

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WILLIAMS & CONNOLLY

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WASHINGTON, D. C. 20005

(202) 434-5000

FAX (202) 434-5029

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PAUL R. CONNOLLY (1922-1978)

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RAYMOND W. BERGAN  
JEREMIAH C. COLLINS  
ROBERT L. WEINBERG  
DAVID POVICH  
STEVEN M. UMIN  
JOHN W. VARDAMAN  
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SVEN ERIK HOLMES  
WILLIAM R. MURRAY, JR.  
EVA PETKO ESBER  
STEPHEN D. RABER  
JOHN D. CLINE

May 17, 1994

BY HAND

Peter G. Blumberg, Esq.  
Attorney  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 3841

Dear Mr. Blumberg:

Pursuant to your request, enclosed please find an affidavit by Norm Croteau, Assistant Treasurer, of Webcraft Technologies, Inc. ("Webcraft"), regarding Webcraft's course of dealing with United Conservatives of America ("UCA") in printing six jobs for UCA in 1989 and 1990. Also enclosed is an affidavit by John P. May, President and Chief Executive Officer of Association Growth Enterprises, Inc., regarding the escrow agreement in effect among UCA, Association Growth Enterprises, and Webcraft in 1990.

As Laurie Fulton and I explained during our meeting on March 9, 1994, and as these affidavits confirm, Webcraft never regarded its business relationship with UCA as an "extension of credit." Rather, Webcraft treated UCA as a customer which belonged to a special segment of the market comprised of non-asset holding corporations which rely on direct mail to solicit contributions. Because direct mail/non-profit organizations like UCA have no tangible assets on which a vendor can rely for collection of debts, Webcraft understood that there is virtually no chance of recovering outstanding bills from such organizations other than from revenue generated by the direct mail solicitation. Therefore, Webcraft developed several mechanisms for dealing in this segment of the market which reduced the risk to Webcraft and maximized the potential for profit.

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FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
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Peter G. Blumberg, Attorney  
May 17, 1994  
Page 2

Those mechanisms, which are discussed in Mr. Croteau's affidavit, include: increasing the profit margins for these customers to increase the potential for profit even if all invoices were not paid in full; establishing an accounting reserve as a procedure to reflect more accurately the amount of revenue expected to be generated by this work; and entering into an escrow agreement to guarantee that a certain percentage of the revenue raised from the direct mail solicitations would be dedicated to paying Webcraft's bills. The escrow agreement was also the primary collection mechanism, in recognition of the fact that there are no corporate assets, other than revenue generated by the mailings, available for debt collection.

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The history of Webcraft's business dealings with UCA was profitable overall until job six, which was the last job Webcraft undertook on UCA's behalf. Jobs one and two were paid in full, which included a lucrative profit to Webcraft. On job three, Webcraft essentially broke even although the invoice was not paid in full. On job four, Webcraft lost money because UCA paid little towards the invoice costs. Before agreeing to print job five for UCA, Webcraft modified the terms of the escrow agreement so that nearly all revenue generated by the mailing would go toward payment of Webcraft's invoices until the invoices were paid in full. On job five, Webcraft made a profit even though the invoice was not paid in full. Job 6, however, was a complete loss for Webcraft because the package was never put in the mail. UCA was unable to raise the necessary money for postage. It requested a loan from Webcraft to get the package in the mail, but Webcraft refused to make a loan. Eventually, the printed materials were discarded by Webcraft. Since job six, Webcraft has not undertaken any other work for UCA.

When it became clear that no further payments could be forthcoming from UCA, Webcraft adjusted its books to reflect the reality of the situation and subtracted the unpaid invoice amounts from both sales and from accounts receivable. However, Webcraft did not consider these amounts to be "bad debts" for tax purposes and did not take deductions for these amounts. In Webcraft's view, these unpaid invoice amounts are still amounts owing, but because there is no realistic probability of payment from UCA, it is more accurate for accounting purposes not to record these unpaid invoiced amounts as "receivable". The adjustments, thus, were solely for accounting purposes. If there were any realistic opportunity to collect the unpaid invoiced amounts, Webcraft would do so. We understand, however, that UCA now exists only in name and that efforts are being made to dissolve the association.

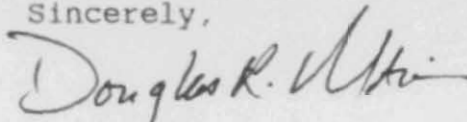
WILLIAMS & CONNOLLY

Peter G. Blumberg, Attorney  
May 17, 1994  
Page 3

As the enclosed affidavits indicate, Webcraft conducted its business dealings with UCA in a commercially reasonable manner reflecting the special circumstances of dealing with non-asset-holding corporations which rely on direct mail fund-raising for financial support.

Please let me know if you require additional information. As you know, we are interested in reviewing the materials submitted to the Federal Election Commission by UCA in light of the recollection of people at Webcraft that the mailing packages printed for UCA by Webcraft dealt with lobbying issues but not with candidates or elections.

Sincerely,



Douglas R. Marvin

Enclosures

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AFFIDAVIT OF NORM CROTEAU

RECEIVED  
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COMMISSION  
OFFICE OF GENERAL  
COUNSEL

MAY 18 9 48 AM '94

STATE OF NEW JERSEY §  
§  
§

Norm Croteau, being first duly sworn, deposes and states that:

1. My name is Norm Croteau. I am over twenty-one years of age, of sound mind, and capable of making this affidavit. Unless indicated to the contrary, I make all statements in this affidavit on the basis of first hand personal knowledge, including review of certain Webcraft Technologies, Inc. business records. To the best of my knowledge, the statements in this affidavit are true and correct.

2. I am employed as Assistant Treasurer of Webcraft Technologies, Inc. ("Webcraft") located at Route 1 and Adams Station, North Brunswick, New Jersey 08902. I have been employed by Webcraft since 1980 and have held the position of Assistant Treasurer since 1992.

3. Webcraft is a large printing company, with its business offices in North Brunswick, New Jersey. Webcraft has printing plants located at Salisbury, Maryland; Chalfont, Pennsylvania; North Brunswick, New Jersey, and Ypsilanti, Michigan; and sales offices in 11 locations.

4. In approximately mid-1989, United Conservatives of America ("UCA") contacted Webcraft about printing direct mail pieces to solicit contributions. Webcraft understood UCA to be a

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non-profit organization which held no assets but relied instead on direct mail solicitations for funds.

5. Because direct mail/non-profit organizations like UCA have no tangible assets on which a vendor can rely for collection of debts, Webcraft has learned, from experience, that there is virtually no chance of recovering any outstanding bills or bad debts from these organizations other than from revenue generated by the direct mail solicitation. Based on this experience, Webcraft has developed several mechanisms for dealing in this market which reduce the risk and maximize the potential for profit. These mechanisms include the following:

(a) Escrow Agreements. Because there is no viable way of collecting money due from direct mail, non-asset organizations like UCA, other than from revenue generated by the direct mail solicitation, Webcraft has typically entered into escrow agreements with these organizations to ensure that Webcraft would receive payment out of the incoming funds before the funds are used for other purposes. The escrow agreement, in short, is a primary collection mechanism for this market. Exhibit A, which is attached hereto, is an example of such an escrow agreement. Typically, the escrow agreement provides that Webcraft will receive 50 percent of all revenues generated from the fund-raising mailing until Webcraft's invoice for the mailing is paid in full.

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(b) Profit Margins. Because of the higher risk associated with this market, Webcraft increases its profit margins for these customers. Because the invoice price charged to customers like UCA is higher than that charged to its other customers, Webcraft not only is able to reduce the break even point as a function of its pricing but also is able to compensate, as well as fund reserves, for jobs that are not financially successful. For example, suppose Webcraft's profit margin for a regular business was 30%. Out of \$10 charged, \$7 would cover expenses (the break even point) and \$3 would be attributable to profits. For direct mail customers like UCA, Webcraft would, for example, increase its profit margin to 50%. Then, the overall price would increase to \$14. Out of the \$14 charged, \$7 would cover expenses -- the break even point, of course, would remain the same -- and profits would increase to \$7. Thus, for the direct mail customer, Webcraft would break even if it recovered 50% of the invoiced price. The additional profit of \$4 earned if the full invoice price were collected would compensate Webcraft for the risk and assist in covering losses that Webcraft might experience on other mail order jobs for that or other customers.

(c) Accounting Reserves. Based on its experience, Webcraft anticipates that some mail jobs will not produce sufficient revenue to pay the full invoice price and that the organization will not otherwise have the funds

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to discharge the debt. Accordingly, Webcraft sets up an accounting reserve of ten percent for each such account. The reserve allows Webcraft to reflect a more realistic financial outlook regarding expected revenue from this market in its accounting procedures than the invoices would reflect. If an invoice is not paid in full, the unpaid amount will be applied against the reserve.

(d) Adjustments to the accounts. When it is clear that no further revenue can be expected from a given printing job in this market, Webcraft's accounting records are adjusted to reflect the reality of the situation. The unpaid amounts are adjusted from both the sales and the accounts receivable. By using this adjustment, Webcraft maintains a fair and true accounting of its finances, recognizing that there is no feasible way to recover further amounts owed by such organizations which hold no assets. While the adjustments are made for these accounting purposes, Webcraft does not write off the unpaid invoiced amounts as bad debts for tax purposes. In other words, it does not simply forgive the debt.

6. In the case of UCA, I was directly involved in determining the price and payment provisions under which Webcraft undertook to provide the printing services. I was also responsible for keeping Webcraft's accounts and ledgers.

7. All of the six jobs printed by Webcraft for UCA, which were printed in 1989 and 1990, were covered by escrow

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agreements. (The invoices bearing Bates numbers W000040-W000043, which read "net 30 days" in the terms provision, are incorrect, probably as a result of clerical error).

8. Webcraft has conducted a search of its files but has been unable to locate any copies of any escrow agreements between Webcraft and UCA. Webcraft's policy is to retain documents for two years and to discard documents which are more than two years old. Therefore, it is in keeping with Webcraft's normal business practices that these documents would not now exist.

9. Based upon my recollection, the first four jobs printed by Webcraft for UCA, all of which were printed in 1989, were covered by Webcraft's standard escrow agreement for this market, under which Webcraft received 50 percent of the incoming revenue, after payment of postage and escrow agency fees, from the fund-raising mailing printed by Webcraft until Webcraft's total amount invoiced for that job was recovered. Under this arrangement, each job stood alone in terms of invoice and payment.

10. Webcraft recovered the total invoiced amount for jobs 1 and 2. For job 3, Webcraft recovered about fifty percent of the amount invoiced -- which meant, under these circumstances, that Webcraft broke even. On job 4, Webcraft recovered less than ten percent of the amount invoiced. On the whole, however, when the totals for all four jobs were aggregated, Webcraft earned a profit on the four UCA mailings.



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11. In mid-1990, UCA approached Webcraft about printing additional mailings for the organization. Because the business relationship with UCA had been profitable overall but because the last job performed for UCA did not generate the income anticipated, Webcraft agreed to accept the order but under different terms. Instead of an escrow arrangement under which it collected 50% of the incoming revenue, Webcraft agreed to do the work under a 100% escrow arrangement. That is, Webcraft would receive 100% of the revenue until it was paid in full; UCA would then receive the balance of the revenue. This agreement was entered into by UCA, Webcraft and the escrow agent, Associations Growth Enterprise, Inc. See Affidavit of John P. May.

12. On the next job (job 5), Webcraft recovered nearly four-fifths of the amount invoiced. Accordingly, on job 5, because of its profit margins, Webcraft recovered its costs and made a profit.

13. Thereafter, Webcraft proceeded to print job 6 for UCA. UCA, however, was not able to raise the postage money needed to place this printing in the mail.

14. UCA thereupon asked Webcraft to lend UCA the postage money to put job 6 in the mail, and thus give Webcraft a chance to recover some of its invoiced costs. Webcraft refused to lend the money to UCA. After several unsuccessful efforts to secure the postage funds by UCA from sources other than Webcraft, and after the mailings were no longer timely, the materials printed in job 6 were destroyed by Webcraft. None were ever

placed in the mail. Since then Webcraft has done no further work for UCA.

15. It is widely accepted in the direct mail solicitation market that most of the income which will be generated from a mailing is received in the first thirty days, although small amounts might trickle in for some time thereafter. When it became clear that no more money was coming in and that Webcraft would receive no further revenue towards invoices for jobs 3 and 4, in approximately June 1990, adjustments were made in Webcraft's accounting books to reflect the true financial situation. I made adjustments in both accounts receivable and sales for bookkeeping purposes to match the amount received. These adjustments were for accounting purposes only. The invoiced amounts not recovered from UCA were not treated as bad debts. They are still debts owed to Webcraft, but the adjustments reflect the reality that there is no commercially reasonable way to recover these debts from a non-asset-holding organization.

16. When it became clear the Webcraft would receive no further revenue towards invoices for jobs 5 and 6, in approximately May 1991, similar adjustments were made in Webcraft's accounting books to reflect the true financial situation resulting from those jobs. Unpaid invoiced amounts were adjusted from sales and from the accounts receivable. Again, this was a bookkeeping measure to reflect the reality that

there was no realistic commercially reasonable way to recover these debts.

17. At no time did Webcraft undertake to lend money to UCA. In the case of each job printed for UCA, Webcraft made a reasonable business decision, after recognizing the risks inherent in this market and taking steps to increase the potential profitability to the company. When it became clear that further work for UCA was too risky, Webcraft ceased performing any more work for UCA. In each instance, Webcraft's treatment of UCA was in accordance with its normal course of business.

Further affiant sayeth not.

*Norm Croteau*

Norm Croteau

Sworn and subscribed to before me this 5<sup>th</sup> day of May, 1994.

*Kim Marie Huyler*

Notary Public in and for the  
State of New Jersey

My Commission expires: \_\_\_\_\_

**"KIM MARIE HUYLER  
Notary Public of New Jersey  
My Commission Expires Aug. 14, 1995"**

ESCROW AGREEMENT # 2

THIS AGREEMENT is made this twenty-fifth day of February 1992 by and between Webcraft Mail Systems, Inc. (VENDOR), Cash Count (AGENT), and United Seniors Association, Inc. (CLIENT).

## WITNESSETH:

WHEREAS, the CLIENT has issued Purchase Orders #0143 and #0154 to purchase printing, imaging, and mailing services from the VENDOR for Mail Codes 80K1, 80K2, 80K3, 80K4, 4D01, 4D02, 4D03, 4D04, 4D05, 4D07, 4D08, 4D10, 4D12, 4D13, 4D14, 4D15, Job# H/P-018 (PROGRAM), under terms set forth therein, and

WHEREAS, the VENDOR and the CLIENT desire that monies generated from the PROGRAM be received by the AGENT in accordance with the terms hereof.

NOW THEREFORE, in consideration of these premises, and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. All monies received from the PROGRAM (FUNDS) shall be held by the AGENT and disbursed in accordance with the terms and provisions hereof.
2. The CLIENT shall provide the AGENT with copies of the VENDOR's invoice(s) for its costs for the PROGRAM.
3. The AGENT shall promptly disburse from the FUNDS as follows:
  - a. Any monies required for Business Reply Mail postage for the PROGRAM and any AGENT's fees for lockbox and escrow services it performs in connection with the PROGRAM shall be taken out of the FUNDS before restrictions specified in paragraph 3b go into effect.
  - b. Following the mail drop dates of the PROGRAM, the AGENT will restrict sixty percent (60%) of the FUNDS received from the PROGRAM. Within thirty (30) days after the drop dates, the AGENT will pay the VENDOR's invoice(s) from these "restricted" monies.
  - c. When the VENDOR's invoice(s) for the PROGRAM has(have) been paid in full, subsequent FUNDS received from the PROGRAM will be freed by the AGENT to be disbursed as instructed by the CLIENT.
4. The AGENT shall provide the CLIENT with a daily written statement of the FUNDS received from the PROGRAM. Upon request, the AGENT will also provide the VENDOR with such statements until such time as the VENDOR's invoice(s) for the PROGRAM is(are) paid in full.
5. Provided that the AGENT shall hold and administer the FUNDS in accordance with the terms of this AGREEMENT, the CLIENT and the VENDOR do hereby hold the AGENT harmless from and against any claim or demand made against the AGENT by reason of the delivery of monies to the AGENT.
6. No party to this AGREEMENT shall assign or delegate its rights and/or obligations under this AGREEMENT without the express written consent of the other parties.

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ESCROW AGREEMENT #2

February 25, 1992

Page 2

7. This AGREEMENT shall be terminated upon payment in full of all outstanding VENDOR invoices for the PROGRAM received by the AGENT.
8. All notices required hereunder shall be in writing, hand-delivered or mailed by Certified Mail Return Receipt Requested, to the parties as follows:

If to the VENDOR: MR. NORM CROTEAU  
Webcraft Mail Systems  
Route 1 & Adams Station  
North Brunswick, NJ 08902

If to the CLIENT: MR. MICHAEL BLAKE  
United Seniors Association, Inc.  
12500 Fair Lakes Circle - Suite 125  
Fairfax, VA 22033

If to the AGENT: MR. TOM DEWEESE  
Cash Count  
1440-L Parke-Long Court  
Chantilly, VA 22021

9. The CLIENT and/or the VENDOR shall be entitled to inspect all financial records of the AGENT with respect to the FUNDS received and disbursed from the PROGRAM as may relate to this AGREEMENT at such reasonable times as the CLIENT and/or the VENDOR may request.
10. This AGREEMENT may only be amended in writing, signed by all the parties hereto. The failure of any party hereto to exercise any of its rights, either in law or equity, shall not constitute or be deemed a waiver by such party of any subsequent or other default hereunder.

IN WITNESS WHEREOF, each of the parties hereto has caused this AGREEMENT to be executed and delivered as of the day and year first above written.

ATTEST:

By: Eddie Gallen  
Date: 2/26/92

FOR WEBCRAFT MAIL SYSTEMS:

By: Norm Croteau (SEAL)  
Date: 2/26/92

ATTEST:

By: Robert H. Fisher  
Date: 2-25-92

FOR CASH COUNT:

By: Spencer A. Burns (SEAL)  
Date: 2/25/92

ATTEST:

By: Lisa Russell  
Date: 02/25/92

FOR UNITED SENIORS ASSOCIATION:

By: Michael S. Blake (SEAL)  
Date: 2/25/92

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AFFIDAVIT OF JOHN P. MAY

STATE OF MARYLAND §  
§  
§

John P. May, being first duly sworn, states and deposes that:

1. My name is John P. May. I am over twenty-one years of age, of sound mind, and capable of making this affidavit. Unless stated to the contrary, I make all statements in this affidavit on the basis of my personal knowledge and my review of certain business records. The statements in this affidavit are true and correct to the best of my knowledge.

2. I am employed by Association Growth Enterprises, Inc., 4700 Stamp Road, Suite J, Temple Hills, Maryland 20748. I have been employed by Association Growth Enterprises, Inc. since 1987 and have held the position of President and Chief Executive Officer since 1989.

3. Association Growth Enterprises, Inc. performs caging services for organizations who undertake direct mail fund-raising efforts. On approximately March 8, 1990 United Conservatives of America ("UCA") retained Association Growth Enterprises, Inc. to perform caging services related to direct mail fund-raising efforts. The agreement between UCA and Association Growth Enterprises, Inc. was substantially similar to the standard cager/escrow agreement Association Growth Enterprises, Inc. enters into with other organizations under which Association Growth Enterprises, Inc. sets up and maintains

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an escrow account to handle all incoming revenues generated by direct mail appeals sent by the organization. A copy of the March 8, 1990 agreement between UCA and Association Growth Enterprises, Inc. is attached hereto as Exhibit A.

4. Under the agreement of March 8, 1990, Association Growth Enterprises, Inc. maintained a separate escrow account on behalf of UCA which handled all contributions coming in to UCA from fund-raising mailings after that date. From the UCA escrow account, I made payments pursuant to the March 8, 1990 agreement for postage, lock box, escrow agency fees, and to vendors who provided goods and services to UCA.

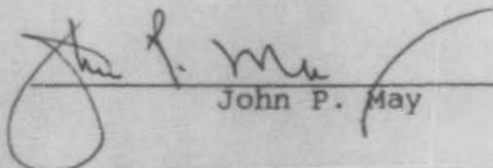
5. In addition to the March 8, 1990 agreement attached as Exhibit A, UCA entered into a separate escrow agreement with Webcraft Technologies, Inc. ("Webcraft") and Association Growth Enterprises, Inc. A copy of this agreement has not been located in our files. I was familiar with the agreement between UCA, Webcraft and Association Growth Enterprises, Inc., and made payments to Webcraft on behalf of UCA under the terms of that agreement. The escrow agreement between UCA, Webcraft and Association Growth Enterprises, Inc. restricted payment of certain funds from the UCA escrow account maintained by Association Growth Enterprises, Inc. to Webcraft.

6. I have reviewed the exemplar escrow agreement provided by Webcraft as Attachment A to the Affidavit of Norm Croteau, and it is substantially similar to the escrow agreement in effect between UCA, Webcraft and Association Growth

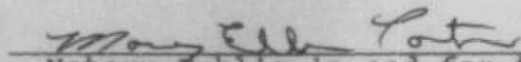
Enterprises, Inc. except in the percentage of revenue to be restricted and paid to Webcraft. Under the exemplar escrow agreement provided by Webcraft, sixty percent of the incoming funds were to be paid to Webcraft under paragraph 3b. My recollection is that under the escrow agreement between UCA and Webcraft, 100 percent of the revenues paid under paragraph 3b were to be paid to Webcraft until Webcraft was paid in full the amount invoiced to UCA for printing costs.

7. Between May and September, 1990, Association Growth Enterprises, Inc., pursuant to the March 8, 1990 agreement between UCA and Association Growth Enterprises, Inc. and the escrow agreement between UCA, Webcraft and Association Growth Enterprises, Inc., made several payments to Webcraft for amounts invoiced to UCA for printing costs incurred on behalf of UCA but, it is my understanding that sufficient revenue was not generated from UCA's fund-raising mailings to cover Webcraft's invoices.

Further affiant sayeth not.

  
John P. May

Sworn and subscribed to before me this 6<sup>th</sup> day of May, 1994.

  
Notary Public in and for the  
State of Maryland

My Commission expires: 10/8/96



## ESCROW AGREEMENT

THIS ESCROW AGREEMENT, is made this 8<sup>th</sup> day of MARCH, 1990, between:

1. Association Growth Enterprises, Inc. (hereafter "Escrow Agent") and
2. The Viguerie Company, Inc. (hereafter "Agency") and
3. United Conservatives of America (hereafter "Client"),

for the purpose of depositing, holding and disbursing funds in connection with Client's direct mail fundraising program.

In consideration of the declarations and the mutual covenants and agreements of the parties herein, it is hereby agreed as follows:

#### I. CREATION OF THE ESCROW FUND

A. Accumulation of the Escrow Fund: Agency and Client hereby agree that returns from direct mail fund raising programs shall be received by Escrow Agent, and cash collections shall be deposited by Escrow Agent to an account known as the Escrow Fund.

B. Declaration: Escrow Agent hereby declares that with respect to any monies which it may receive constituting the Escrow Fund, it shall hold and disburse such monies solely for the uses and purposes set forth in this Escrow Agreement.

C. Earned Dividends and Interest: All earned dividends and interest, if any, ascertained and apportioned to the Escrow Fund shall be used to increase the balance of the Escrow Fund.

#### II. APPLICATION OF THE ESCROW FUND

All monies received by Escrow Agent pursuant to the terms hereof shall be held in escrow for the purposes for which received and shall be segregated from any other funds. Escrow Agent shall not be liable for interest on any monies received by it hereunder nor shall Escrow Agent be required to invest such monies so as to produce income for the Escrow Fund. The Escrow Fund shall be disbursed for the following purposes:

1. To pay postal charges of the United States Postal Service for Client's Business Reply Mail.
2. To pay the fees of Escrow Agent for lockbox and escrow services.
3. To pay the invoices of Client's direct mail fundraising program, including invoices of Agency, in accordance with the original contract between Agency and Client.
4. To distribute net monies, in such amounts and to such persons or organizations, as approved by Agency and Client.

#### III. ADMINISTRATION OF THE ESCROW FUND

A. Powers of Escrow Agent: In addition to powers conferred upon Escrow Agent either expressly by, or by necessary implication of, the other provisions of this Agreement, Escrow Agent shall have such other powers, not inconsistent with law or equity, as may be necessary and proper to maintain the integrity of the Escrow Fund, and to attain the objectives of this Agreement.

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B. Records and Reports: Escrow Agent shall keep at its place of business, true and accurate records of all transactions pertaining to the Escrow Fund. Escrow Agent shall, monthly or more often in either Agency's or Client's discretion provide to Agency and/or Client an accounting of the Escrow Fund, setting forth all transactions affecting the Escrow Fund during the accounting period.

C. Disputes. In the event of any dispute with respect to disposition of all or part of the Escrow Fund, Escrow Agent shall not be obligated to disburse the disputed portion thereof nor shall Escrow Agent be required affirmatively to commence any action against Client or Agency, or defend any action that a creditor might bring. In its sole discretion, Escrow Agent may, in the event of a dispute as to the disposition of all or part of the Escrow Fund, commence an action in a nature of interpleader and seek to deposit the disputed portion in a Court of Competent Jurisdiction.

#### IV. COMPENSATION AND EXPENSES

A. The compensation of Escrow Agent shall be established by Agency and Escrow Agent. Escrow Agent's fees for lockbox and escrow services it performs, notwithstanding any other provision of this Agreement, shall be deducted from the Escrow Fund after invoicing Client, in care of Agency, of such lockbox and escrow services.

B. In the event that any tax or assessment shall be levied upon the Escrow Fund or any portion thereof, or upon Escrow Agent by reason of the existence of the Escrow Fund, such tax or assessment shall be deducted from the Escrow Fund, notwithstanding any other provision of this Agreement, after notifying Agency and Client, in writing, of such tax or assessment.

#### V. INDEMNIFICATION

Agency and Client agree to indemnify, defend, and hold Escrow Agent harmless from and against any and all claims, suits, actions, liability, loss, expense, or damage which Escrow Agent, its directors, officers, agents, or employees may sustain due to or arising out of any act or failure to act by either Agency or Client, its affiliates, officers, agents, representatives, or employees in violation of this Agreement or in violation of any applicable law, rule, or regulation provided that Escrow Agent has not contributed to or knowingly compounded such act or failure to act. The provisions of this paragraph shall survive the termination of this Agreement.

#### VI. TERMINATION

This Agreement may be terminated by any party hereto upon not less than ninety (90) days prior written notice to the other parties. Upon termination of the Escrow Fund, Escrow Agent shall apply the funds to pay any and all obligations of the Escrow Fund, and distribute the funds in accordance with the written instructions of Agency and Client.

#### VII. GENERAL PROVISIONS

A. Applicable Law. This Agreement shall be construed and governed by the laws of the State of Maryland, U.S.A.

B. Consent to Jurisdiction. Agency and Client absolutely and irrevocably agree and consent to the exclusive jurisdiction of the circuit or district court of Prince Georges County, Maryland, for any litigation arising from controversy directly or indirectly related to this Agreement.

C. Parties in Interest. Except as otherwise expressly provided herein, all the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of, and shall be enforceable by the respective successors of the parties hereto.

D. Headings. The paragraph headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

E. Entire Agreement. This Agreement contains the entire understanding of the parties with respect to this subject matter. This Agreement supersedes all prior agreements and understandings between the parties with respect to its subject matter. This Agreement may be amended only by a written instrument duly executed by the parties or by their respective successors or assigns.

F. Other Agreements. Escrow Agent shall not be bound by any agreement between Agency and Client of which it has no knowledge as of the date of this Escrow Agreement. Nor shall Escrow Agent be required to determine the amount or validity of any claim made against the Escrow Fund.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Agreement date stated above, to be effective as of said date.

CLIENT

Robert G. Mills

(Authorized Signer)

Robert G. Mills, Acting Executive Director

(Name and Title - Print or Type)

(Witness)

AGENCY

Sandra Butler

(Authorized Signer)

Sandra Butler Vice President

(Name and Title - Print or Type)

(Witness)

ESCROW AGENT

John P. May

(Authorized Signer)

JOHN P. MAY - President

(Name and Title - Print or Type)

Thomas L. Pacione

(Witness)

3/8/90



AGE

Association Growth Enterprises, Inc.

# Lockbox Services Agreement Supplement

## I. Client Information

Name: United Conservatives of America  
 Address: The Viguerie Company, 7777 Leesburg Pike, 4th Floor  
 City: Falls Church State: Virginia Zip: 22043  
 Attention: Ms. Karen Dassieu Title: Vice President Telephone: 356-0440

## II. Service Description and Charges

<u>CAGING (MONTHLY VOLUME)</u>	<u>NON-DONORS</u>	<u>DONORS</u>
10,000 AND ABOVE	\$0.12	\$0.16
5,000 - 9,000	0.13	0.17
500 - 4,999	0.14	0.18

ENCODING 0.03

### MINIMUM

UNDER 500 PIECES AN HOURLY RATE CHARGE OF \$15.00 FOR 30 MINUTES PER DAY

### OTHER CHARGES

Non-standard Package	.05 each
Special Handling (Clerical Time)	15.00 per hour
Escrow Accounting	22.50 per hour
Copying Donations	0.12 each

Non-standard packages require more time to process and involve extra steps. A standard package has the mail code listed on the outside envelope, and the reply form does not require any additional handling such as writing the name and address of the donor. An occasional name and address is considered standard.

Agency agrees to be bound by the terms, conditions and procedures contained in this Lockbox Services Agreement Supplement. Once signed by both parties, the terms, conditions and procedures set forth in this Supplement shall be considered part of the Agency Lockbox Services Agreement executed by AGE and Agency.

Accepted: Date \_\_\_\_\_

ASSOCIATION GROWTH ENTERPRISES, INC.

Accepted: Date \_\_\_\_\_

AGENCY

(Authorized Signer)

(Authorized Signer)

(Name and Title - Print or Type)

(Name and Title - Print or Type)

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VIGUERIE  
**V&A**  
ASSOCIATES

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
ADMINISTRATIVE DIVISION

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AUG 15 '94

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
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August 12, 1994

Peter G. Blumberg, Esquire  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 3841

Dear Mr. Blumberg:

Thank you for contacting me on August 3, 1994 regarding the above-captioned matter. As a follow-up to our telephone conversation, I wish to confirm the following.

You informed me that your office had put MUR 3841 on hold until recently, but that your office has begun to review the matter, including the documents and responses provided by The Viguerie Company ("TVC") and American Mailing List Corporation ("AMLC").

You noted that the TVC records do not include rent invoices to United Conservatives of America ("UCA") for the months of January through August, 1989. I confirmed that TVC could not locate any such invoices in its review of files in storage. I did state that TVC nonetheless maintains on its books that UCA owes TVC rent for those months.

Escrows

I also want to take this opportunity to provide you with more information that may be helpful in your review of TVC and AMLC. TVC and AMLC are affiliated companies. TVC has existed for almost 30 years, and has been a leader in the direct mail fundraising business. Many of the methods employed in the direct mail industry were started by TVC. This includes the use of escrow accounts to receive and disburse funds raised through the mail. TVC has conducted many of its operations the same way for the past 25 years.

From time to time under TVC's agreements with almost all of its clients, escrow agents are used to disburse funds received from direct mail fundraising from certain mailings. This includes clients that are nonprofit organizations under Internal

Peter G. Blumberg, Esquire  
August 12, 1994  
Page 2

Revenue Code Sections 501(c)(3) and (4). Thus, escrow agents are typically used in the usual course of TVC's business for its clients that are not regulated by the FEC.

#### Leased Space

TVC did lease space to UCA. TVC has leased space to other types of companies and organization, including for-profit and nonprofit organizations. At one time, TVC had more space available to lease than it has at its current location. At its prior location, 7777 Leesburg Pike, Falls Church, Virginia, TVC had several floors of a building. Thus, TVC was able to lease or sublease small offices from time to time.

#### Debt

UCA is not the only organization that developed a large debt to TVC. Other organizations had incurred sizeable debt which has not been paid or which had taken an exceptionally long time to be paid. Direct mail fundraising often loses money up front to develop a donor list. Organizations tend to rely on their donor list to make up for earlier losses. Some nonprofit organizations do not recover their earlier losses.

#### Other Matters

The responses filed by TVC and AMLC on February 3, 1994 were completely responsive to the requests submitted by the FEC. In our telephone conversation, you indicated that the FEC may want further information. If that is the case, kindly formalize those requests by putting them in writing so that TVC and AMLC may answer them accurately and completely.

TVC and AMLC have continued to examine possibilities for collection of the debt owed by UCA. I enclose June 15, 1994 correspondence from AMLC's attorney, J. Curtis Herge, Esquire to Dan Sullivan of directTech, Inc., the company which holds the UCA mailing list. The UCA mailing list is apparently the only asset of any value belonging to UCA. However, directTech has a possessory lien on the mailing list.

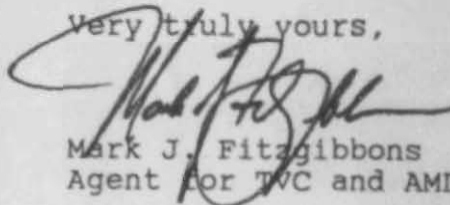
As the letter from Mr. Herge indicates, AMLC and TVC are in an inferior position to directTech, and further efforts to execute on the security interest would be useless, absent a release by directTech. Upon a release by directTech, AMLC and TVC are prepared to execute on AMLC's security interest. TVC and AMLC have concluded that they may have exhausted all reasonable business methods of presently collecting the debts from UCA, and are prepared to act on their lien when such action becomes feasible.

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Peter G. Blumberg, Esquire  
August 12, 1994  
Page 3

Please let me know if you need further information.  
Viguerie & Associates current address is 12500 Fair Lakes Circle,  
Suite 150, Fairfax, Virginia 22033.

Very truly yours,



Mark J. Fitzgibbons  
Agent for TVC and AMLC

Enclosure

cc: J. Curtis Herge, Esquire

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

VIA FACSIMILE AND  
FIRST CLASS MAIL

August 31, 1994

Mark Fitzgibbons  
General Counsel  
Viguerie and Associates  
12500 Fair Lakes Circle, Suite 150  
Fairfax, VA 22033  
FAX -- (703) 802-2163

RE: MUR 3841

Dear Mr. Fitzgibbons:

As we discussed in our telephone conversation of August 2, 1994, the Office of General Counsel requires additional information from the Viguerie Company ("TVC") and American Mailing List Corporation ("AML") for its review of MUR 3841. As you know, on December 7, 1993, the Commission found reason to believe ("RTB") that TVC and AML violated 2 U.S.C. § 441b by making prohibited contributions to the United Conservatives of America ("the Committee").

The Commission's determination was based on facts indicating that both TVC and AML extended credit to the Committee outside the ordinary course of business, by extending credit in large amounts and continuing to extend credit even when the Committee was in arrears to the companies. As we discussed over the telephone, this Office believes that the TVC and AML response to the RTB notification does not detail how the companies have dealt with other creditors of similar size and risk of obligation in terms of extending credit in large amounts and continuing to do so even when those creditors are in arrears.

Further, the Commission based its RTB determination with respect to TVC on facts indicating that TVC made an in-kind prohibited contribution to the Committee by providing free rent and telephone use to the Committee from January 1989 through July 1989. The Commission's subpoena of December 22, 1993 requested documentation indicating that TVC billed the Committee during this time, and no such information was produced. In our telephone conversation, and

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in your August 12, 1994 letter to me, you indicated that you may have information on these billings.

Accordingly, we request that you provide the following information to the Commission:

(1) Lists of clients of TVC (political and non-political) who have owed over \$40,000 for over two years;

(2) For each client meeting the criteria stated in (1) above, state the amount of the obligation, the length of time the obligation was outstanding, attempts made to collect the obligation, if the obligation was never paid in full, describe the terms under which the obligation was settled;

(3) Lists of clients of AML (political and non-political) who have owed over \$180,000 for over two years;

(4) For each client meeting the criteria stated in (3) above, state the amount of the obligation, the length of time the obligation was outstanding, attempts made to collect the obligation, if the obligation was never paid in full, describe the terms under which the obligation was settled;

(5) Documentation in support of your answers to (1)-(4) above;

(6) For the debt owed by the Committee to TVC, list any changes made in the billing arrangements made with the Committee once the Committee first fell into arrears, and arrangements made while the Committee fell further into debt to TVC. This should be documented with correspondence to the Committee, amendments to contracts negotiated with escrow agents or caging services, and other similar documents;

(7) For the debt owed by the Committee to AML, list any changes made in the billing arrangements made with the Committee once the Committee first fell into arrears, and arrangements made while the Committee fell further into debt to AML. This should be documented with correspondence to the Committee, amendments to contracts negotiated with escrow agents or caging services, and other similar documents;

(8) List each fundraising cycle, program or job performed by TVC for the Committee, to include: (a) the dates of each; (b) the title of each; (c) the amount billed to the Committee for each; (d) the amount of costs to TVC, incurred with each; (e) the amount of profit to be earned by TVC with each; (f) the amount paid by the Committee for each; and (g) the amount still owed by the Committee for each;

(9) List each fundraising cycle, program or job performed by AML for the Committee, to include: (a) the dates

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letter to Mark Fitzgibbons  
Page 3

of each; (b) the title of each; (c) the amount billed to the Committee for each; (d) the amount of costs to AML, incurred with each; (e) the amount of profit to be earned by AML with each; (f) the amount paid by the Committee for each; and (g) the amount still owed by the Committee for each;

(10) Information relating to how postage costs were paid for in each fundraising program, cycle or job performed by the Committee and TVC;

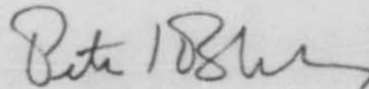
(11) Information relating to how postage costs were paid for in each fundraising program, cycle or job performed by the Committee and AML;

(12) Billing ledgers or other information documenting that TVC did not provide free use of office space to the Committee during the period from January 1989 through July 1989.

As I noted in our telephone conversation of August 2, 1994, the Office of General Counsel seeks to close this matter as soon as possible. Therefore, we request that you provide the information discussed in this letter by September 14, 1994.

Thank you for your cooperation. Please contact me at (202) 219-3690 if you have any questions.

Sincerely,



Peter G. Blumberg  
Attorney

97043795085

VIGUERIE  
**V&A**  
ASSOCIATES

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

OCT 6 12 32 PM '94

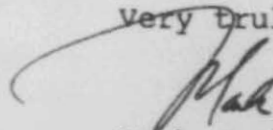
October 4, 1994

Peter G. Blumberg, Esquire  
Federal Election Commission  
Office of the General Counsel  
999 9th Street, N.W.  
Washington, D.C. 20463

Dear Peter:

I enclose a Statement of Designation of Counsel for The  
Viguerie Company and American Mailing List Corporation for MUR  
3841. Please contact me if you have any questions about this  
matter.

Very truly yours,



Mark J. Fitzgibbons

MJF/jh  
Enclosure

10494.fec

97043795086

STATEMENT OF DESIGNATION OF COUNSEL

**NR** 3841

**NAME OF COUNSEL:** Mark Fitzgibbons  
**ADDRESS:** Viguerie & Associates, Inc.  
12500 Fair Lakes Circle  
Suite 150, Fairfax  
**TELEPHONE:** 703 802 2405

RECEIVED  
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 COMMISSION  
 OFFICE OF GENERAL  
 COUNSEL  
 OCT 6 12 32 PM '94

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.

10/3/94  
 Date

Richard A. Viguerie  
 Signature

**RESPONDENT'S NAME:** The Viguerie Company ; American Mailing List Co.  
**ADDRESS:** 12500 Fair Lakes Circle  
Suite 150  
Fairfax, Virginia 22033  
**HOME PHONE:** \_\_\_\_\_  
**BUSINESS PHONE:** (703) 802 2405

97043795087



**STATEMENT OF DESIGNATION OF COUNSEL**MUR 3841NAME OF COUNSEL: Mark FitzgibbonsADDRESS: Viguerie & Associates, Inc.12500 Fair Lakes Circle, Ste. 150Fairfax, VA 22033TELEPHONE: (703) 802-2405RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
JAN 17 10 28 AM '95

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.

Jan. 5, 1995  
DateRichard A. Viquerie  
SignatureRESPONDENT'S NAME: Richard A. ViquerieADDRESS: 12500 Fair Lakes Circle, Ste. 150Fairfax, VA 22033

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

BUSINESS PHONE: (703) 802-2405

97043795088

**STATEMENT OF DESIGNATION OF COUNSEL**MUR 3841NAME OF COUNSEL: Mark FitzgibbonsADDRESS: Viguerie & Associates, Inc.12500 Fair Lakes Circle, Ste. 150Fairfax, VA 22033TELEPHONE: (703) 802-2405

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.

Jan. 5, 1995  
DateRichard A. Viguerie  
SignatureRESPONDENT'S NAME: Richard A. ViguerieADDRESS: 12500 Fair Lakes Circle, Ste. 150Fairfax, VA 22033

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

BUSINESS PHONE: (703) 802-2405

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COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
JAN 26 12 41 PM '95

January 20, 1995

MUR 3841

Mr. Peter Blumberg  
Federal Election Commission  
999 E Street, NW  
Washington, D.C. 20463

Dear Mr. Blumberg,

This letter serves as a testimonial that while employed at the PAC known as United Conservatives of America (UCA) I did not arrange or engage in any business contracts with vendors to perform list rental, printing, loans, and mail shop projects prior to May of 1992. All contracts for the services for printing, list rental and mail shop work were performed and executed by the direct mail agency known as The Viguerie Company (TVC). All loans to the Committee were arranged by TVC or Mr. Viguerie personally.

All contracts for the aforementioned services and other business arrangements were signed and executed by UCA's Chairman, Richard A. Viguerie.

Likewise, all contracts regarding office space rental and telephone rental existed prior to my employment with UCA.

Finally, any question of extension of credit by and between the vendors in question did not come under contract by me or agreed to by me or continued with my authorization during my tenure as treasurer.

As a result of the findings made by the FEC, UCA has been closed down and dissolved. All past directors, employees and officers have resigned or quit. As instructed by the FEC I must remain as the Treasurer despite my willingness to leave or otherwise disassociate myself from the organization.

I Robert G. Mills solemnly swear that the information herein is true and accurate to the best of my knowledge.

Robert G. Mills 1-20-95  
Robert G. Mills

Witness

My Commission Expires  
10/31/99

97043795090

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

MAR 4 3 10 PM '97

In the Matter of

28 U.S.C. § 2462

Statute of Limitations

**SENSITIVE**

MAR 11 1997

GENERAL COUNSEL'S REPORT

**EXECUTIVE SESSION**

**I. INTRODUCTION**

On December 26, 1996, the United States Court of Appeals for the Ninth Circuit issued a decision in *Federal Election Commission v. Williams*, No. 95-55320 (9th Cir. Filed Dec. 26, 1996). That decision held, *inter alia*, that the five-year statute of limitations for filing suit to enforce a civil penalty established at 28 U.S.C. § 2462 applies not only to judicial proceedings to enforce civil penalties already imposed, but also to proceedings seeking the imposition of these penalties, including the Commission's law enforcement suits under 2 U.S.C. § 437g(a)(6).

As noted in the memorandum regarding the filing of a petition for rehearing, the Office of General Counsel believes that the Commission should accept the court's core application of 28 U.S.C. § 2462 to its enforcement suits as the current state of the law. See Memorandum to the Commission, *Petition for Rehearing, and Suggestion for Rehearing En Banc, In Federal Election Commission v. Williams*, dated January 10, 1997. As also noted, however, we have sought further review of the court's decision

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COMMISSION  
SECRETARIAT



relating to issues of equitable relief and equitable tolling.<sup>1</sup> *Id.* See also *FEC v. NRSC*, 877 F. Supp. 15, 21 (D.D.C. 1995).

This General Counsel's Report discusses the impact of 28 U.S.C. § 2462 on the Office of General Counsel's enforcement caseload.<sup>2</sup> This Report describes the active and inactive enforcement matters which are potentially affected by the application of the five-year statute of limitations under 28 U.S.C. § 2462, and makes recommendations for each of the potentially affected matters. This Report addresses all cases where the statute of limitations potentially expires, or partially expires, by the end of calendar year 1997 (December 31, 1997).

The Office of General Counsel is recommending that

18 matters be closed at this time. By doing so, this Office believes that it will be able to devote more resources toward more recent activity, particularly those matters that arose from the 1996 election cycle. To avoid potential statute of limitations problems in the future, this Office will track its cases against the relevant statute of limitations and will perform regular reviews of its caseload. In addition, this Office will be making periodic recommendations to the Commission with respect to matters that may be affected by the application of the five-year statute of limitations under 28 U.S.C. § 2462.

<sup>1</sup> Pending the court's decision, issues such as equitable relief, equitable tolling and ongoing violations, will remain open. In some instances, although issues such as equitable tolling and equitable relief may still be viable, this Office has cited other factors to support our recommendation to close the matter. See, e.g., cases involving apparent violations of 2 U.S.C. § 441a(f).

<sup>2</sup> This Report addresses enforcement matters assigned to the Public Financing, Ethics & Special Projects ("PFESP") and Enforcement areas.

### III. RECOMMENDATIONS

The Office of General Counsel recommends that the Commission:

A. Decline to open a MUR, close the file, and approve the appropriate letters in Pre-MUR 344.

B. Take no action, close the file and approve the appropriate letters in the following matters:

1. MUR 4267
2. MUR 4370
3. MUR 4392
4. MUR 4432
5. MUR 4468
6. MUR 4591
7. MUR 4614

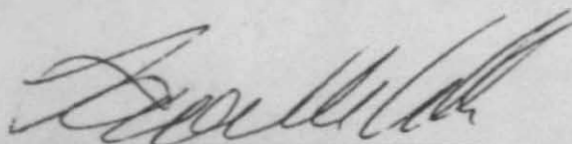
C. Take no further action, close the file and approve the appropriate letters in the following matters:

1. MUR 3351
2. MUR 3571
3. MUR 3582
4. MUR 3586
5. MUR 3838
6. MUR 3841
7. MUR 3969
8. MUR 4091
9. MUR 4183
10. MUR 4209

97043795093

97043795094

Date 3/4/97

  
Lawrence M. Noble  
General Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
28 U.S.C. § 2462, ) Agenda Document #X97-15  
Statute of Limitations )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the  
Federal Election Commission executive session on March 11,  
1997, do hereby certify that the Commission took the  
following actions with respect to Agenda Document  
#X97-15:

1. Decided by a vote of 5-0 to -

- A. Decline to open a MUR, close the  
file, and approve the appropriate  
letters in Pre-MUR 344.
- B. Take no action, close the file, and  
approve the appropriate letters in  
the following matters:
  - 1. MUR 4267;
  - 2. MUR 4370;
  - 3. MUR 4392;
  - 4. MUR 4432;
  - 5. MUR 4468;
  - 6. MUR 4591;
  - 7. MUR 4614.

(continued)

97043795095



C. Take no further action, close the file, and approve the appropriate letters in the following matters:

1. MUR 3351;
2. MUR 3571;
3. MUR 3582;
4. MUR 3586;
5. MUR 3838;
6. MUR 3841;
7. MUR 3969;
8. MUR 4091;
9. MUR 4183;
10. MUR 4209.

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

|  
(continued)

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Federal Election Commission  
Certification: Agenda Document  
#X97-15  
March 11, 1997

Page 3

97043795097

Attest:

3-12-97  
Date

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



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 2, 1997

Richard A. Viguerie  
12500 Fair Lakes Circle, Suite 150  
Fairfax, VA 22033

RE: MUR 3841  
United Conservatives of America

Dear Mr. Viguerie:

On December 7, 1993, the Commission found reason to believe that you, as chairman of the United Conservatives of America, violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended.

After considering all the facts and circumstances of this case, including but not limited to the applicability of the relevant statute of limitations to some or all of the activity described in the factual and legal analysis, the Commission has exercised its prosecutorial discretion to take no further action against you. The Commission reached this determination objectively based upon the information on the record as a whole, the significance of the case relative to others, the amount of time that has elapsed, and other relevant factors. A brief narrative describing the basis for the Commission's decision is attached. Accordingly, the Commission closed its file in this matter on March 11, 1997.

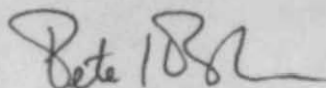
The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any 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.

97043795098

The Commission reminds you that your actions of accepting corporate contributions appear to be violations of the Federal Election Campaign Act of 1971, as amended. You should take steps to ensure that this activity does not occur in the future.

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

Sincerely,

A handwritten signature in dark ink, appearing to read "Pete Blumberg", with a stylized flourish at the end.

Peter Blumberg  
Attorney

Enclosure  
Narrative

97043795099



**MUR 3841 (United Conservatives of America)**  
**(audit referral) ('90 cycle)**  
**PFESP Docket (Inactive)**

On December 7, 1993, the Commission found reason to believe that United Conservatives violated 2 U.S.C. § 441b by accepting prohibited corporate contributions through extension of credit outside the ordinary course of business from three corporations: The Viguerie Company; American Mailing List Corporation and Webcraft Technologies, Inc. The Commission found reason to believe the corporations violated 2 U.S.C. § 441b as well. The Commission also found reason to believe that the Committee violated various reporting statutes and regulations (2 U.S.C. §§ 432(c), 432(d), 433(c), and 434(b); 11 C.F.R. §§ 104.11(a), and 104.14(b)(1)). The Office of General Counsel conducted discovery with subpoenas for documents and interrogatories issued to the respondents. Staff from this Office also met with counsel for the respondents on numerous occasions. This matter was deactivated on January 3, 1997.

In the General Counsel's Report circulated in response to the *FEC v. NRSC*, 877 F. Supp. 15 (D.D.C. 1995), decision, this Office recommended further pursuit of this matter. See General Counsel's Report, 28 U.S.C. § 2462 Statute of Limitations, approved May 16, 1995. However, due to staff departures, the age of the activity and the need to devote more resources toward 1996 cycle cases, this Office now recommends that the Commission exercise its prosecutorial discretion and take no further action in this matter, and close the file. Most of the activity in this matter occurred prior to July 1, 1989. Thus, litigation to recover a civil penalty may be barred by the five-year statute of limitations. If the Commission adopts this recommendation, the notification letter will contain the appropriate admonishment language.

97043795100C



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 2, 1997

Douglas Marvin  
Williams & Connolly  
725 Twelfth Street, N.W.  
Washington, D.C. 20005

RE: MUR 3841  
Webcraft Technologies, Inc.

Dear Mr. Marvin:

On December 7, 1993, the Commission found reason to believe that your client violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended.

After considering all the facts and circumstances of this case, including but not limited to the applicability of the relevant statute of limitations to some or all of the activity described in the factual and legal analysis, the Commission has exercised its prosecutorial discretion to take no further action against Webcraft Technologies, Inc. The Commission reached this determination objectively based upon the information on the record as a whole, the significance of the case relative to others, the amount of time that has elapsed, and other relevant factors. A brief narrative describing the basis for the Commission's decision is attached. Accordingly, the Commission closed its file in this matter on March 11, 1997.

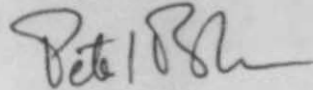
The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any 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.

97043795101

The Commission reminds you that your client's action of making corporate contributions appears to be a violation of the Federal Election Campaign Act of 1971, as amended. You should take steps to ensure that this activity does not occur in the future.

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

Sincerely,

A handwritten signature in dark ink, appearing to read "Pete Blumberg", with a stylized flourish at the end.

Peter Blumberg  
Attorney

Enclosure  
Narrative

97043795102

**MUR 3841 (United Conservatives of America)**  
**(audit referral) ('90 cycle)**  
**PFESP Docket (Inactive)**

On December 7, 1993, the Commission found reason to believe that United Conservatives violated 2 U.S.C. § 441b by accepting prohibited corporate contributions through extension of credit outside the ordinary course of business from three corporations: The Viguerie Company; American Mailing List Corporation and Webcraft Technologies, Inc. The Commission found reason to believe the corporations violated 2 U.S.C. § 441b as well. The Commission also found reason to believe that the Committee violated various reporting statutes and regulations (2 U.S.C. §§ 432(c), 432(d), 433(c), and 434(b); 11 C.F.R. §§ 104.11(a), and 104.14(b)(1)). The Office of General Counsel conducted discovery with subpoenas for documents and interrogatories issued to the respondents. Staff from this Office also met with counsel for the respondents on numerous occasions. This matter was deactivated on January 3, 1997.

In the General Counsel's Report circulated in response to the *FEC v. NRSC*, 877 F. Supp. 15 (D.D.C. 1995), decision, this Office recommended further pursuit of this matter. See General Counsel's Report, 28 U.S.C. § 2462 Statute of Limitations, approved May 16, 1995. However, due to staff departures, the age of the activity and the need to devote more resources toward 1996 cycle cases, this Office now recommends that the Commission exercise its prosecutorial discretion and take no further action in this matter, and close the file. Most of the activity in this matter occurred prior to July 1, 1989. Thus, litigation to recover a civil penalty may be barred by the five-year statute of limitations. If the Commission adopts this recommendation, the notification letter will contain the appropriate admonishment language.

97043795103





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 2, 1997

Robert G. Mills  
Treasurer  
United Conservatives of America  
768 Walker Rd., Suite 290  
Great Falls, VA 22066

RE: MUR 3841  
United Conservatives of America

Dear Mr. Mills:

On December 7, 1993, the Commission found reason to believe that United Conservatives of America ("the Committee"), and you, as acting treasurer, violated 2 U.S.C. § 441b; 2 U.S.C. § 432(c), 2 U.S.C. § 432(d), 2 U.S.C. § 433(c), 2 U.S.C. § 434(b), provision of the Federal Election Campaign Act of 1971, as amended, and 11 C.F.R. § 104.11(a) and 11 C.F.R. § 104.14(b)(1).

After considering all the facts and circumstances of this case, including but not limited to the applicability of the relevant statute of limitations to some or all of the activity described in the factual and legal analysis, the Commission has exercised its prosecutorial discretion to take no further action against you and the Committee. The Commission reached this determination objectively based upon the information on the record as a whole, the significance of the case relative to others, the amount of time that has elapsed, and other relevant factors. A brief narrative describing the basis for the Commission's decision is attached. Accordingly, the Commission closed its file in this matter on March 11, 1997.

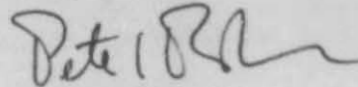
The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any 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.

97043795104

The Commission reminds you that your actions of accepting corporate contributions appear to be violations of the Federal Election Campaign Act of 1971, as amended. You should take steps to ensure that this activity does not occur in the future.

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

Sincerely,



Peter Blumberg  
Attorney

Enclosure  
Narrative

97043795105

**MUR 3841 (United Conservatives of America)**  
**(audit referral) ('90 cycle)**  
**PFESP Docket (Inactive)**

On December 7, 1993, the Commission found reason to believe that United Conservatives violated 2 U.S.C. § 441b by accepting prohibited corporate contributions through extension of credit outside the ordinary course of business from three corporations: The Viguerie Company; American Mailing List Corporation and Webcraft Technologies, Inc. The Commission found reason to believe the corporations violated 2 U.S.C. § 441b as well. The Commission also found reason to believe that the Committee violated various reporting statutes and regulations (2 U.S.C. §§ 432(c), 432(d), 433(c), and 434(b); 11 C.F.R. §§ 104.11(a), and 104.14(b)(1)). The Office of General Counsel conducted discovery with subpoenas for documents and interrogatories issued to the respondents. Staff from this Office also met with counsel for the respondents on numerous occasions. This matter was deactivated on January 3, 1997.

In the General Counsel's Report circulated in response to the *FEC v. NRSC*, 877 F. Supp. 15 (D.D.C. 1995), decision, this Office recommended further pursuit of this matter. See General Counsel's Report, 28 U.S.C. § 2462 Statute of Limitations, approved May 16, 1995. However, due to staff departures, the age of the activity and the need to devote more resources toward 1996 cycle cases, this Office now recommends that the Commission exercise its prosecutorial discretion and take no further action in this matter, and close the file. Most of the activity in this matter occurred prior to July 1, 1989. Thus, litigation to recover a civil penalty may be barred by the five-year statute of limitations. If the Commission adopts this recommendation, the notification letter will contain the appropriate admonishment language.

97043795106



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 2, 1997

Mark Fitzgibbons  
General Counsel  
Viguerie and Associates  
12500 Fair Lakes Circle, Suite 150  
Fairfax, VA 22033

RE: MUR 3841

The Viguerie Company, and Richard A. Viguerie, as  
president  
American Mailing List Corp., and Richard A. Viguerie, as  
president

Dear Mr. Fitzgibbons:

On December 7, 1993, the Commission found reason to believe that your clients violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended.

After considering all the facts and circumstances of this case, including but not limited to the applicability of the relevant statute of limitations to some or all of the activity described in the factual and legal analysis, the Commission has exercised its prosecutorial discretion to take no further action against The Viguerie Company, and Richard A. Viguerie, as president and American Mailing List Corp., and Richard A. Viguerie, as president. The Commission reached this determination objectively based upon the information on the record as a whole, the significance of the case relative to others, the amount of time that has elapsed, and other relevant factors. A brief narrative describing the basis for the Commission's decision is attached. Accordingly, the Commission closed its file in this matter on March 11, 1997.

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.

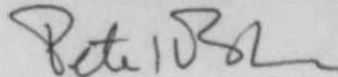
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The Commission reminds you that your clients' actions of making corporate contributions appear to be violations of the Federal Election Campaign Act of 1971, as amended. You should take steps to ensure that this activity does not occur in the future.

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

Sincerely,



Peter Blumberg  
Attorney

Enclosure  
Narrative

97043795108

**MUR 3841 (United Conservatives of America)**  
**(audit referral) ('90 cycle)**  
**PFESP Docket (Inactive)**

On December 7, 1993, the Commission found reason to believe that United Conservatives violated 2 U.S.C. § 441b by accepting prohibited corporate contributions through extension of credit outside the ordinary course of business from three corporations: The Viguerie Company; American Mailing List Corporation and Webcraft Technologies, Inc. The Commission found reason to believe the corporations violated 2 U.S.C. § 441b as well. The Commission also found reason to believe that the Committee violated various reporting statutes and regulations (2 U.S.C. §§ 432(c), 432(d), 433(c), and 434(b); 11 C.F.R. §§ 104.11(a), and 104.14(b)(1)). The Office of General Counsel conducted discovery with subpoenas for documents and interrogatories issued to the respondents. Staff from this Office also met with counsel for the respondents on numerous occasions. This matter was deactivated on January 3, 1997.

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97043795109



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3841

DATE FILMED 4-25-97 CAMERA NO. 1

CAMERAMAN JmJ

9704379511C



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Date: 4/25/97

☒ Microfilm

☐ Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 3841

97043800994



CLOSED

April 23, 1997

CLOSED

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RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

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

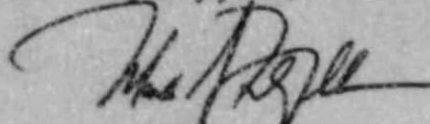
Re: MUR 3841

Dear Mr. Blumberg:

Thank you for your letter dated April 2, 1997 regarding the above-referenced MUR. That letter addressed the fact that the Commission will take no further action against The Viguerie Company ("TVC"), and Richard A. Viguerie, as President and American Mailing List Corporation, ("AMLC") and Richard A. Viguerie, as President for alleged prohibited corporate contributions to United Conservatives of America ("UCA"). Your letter also stated that TVC, AMLC and Mr. Viguerie are entitled to make another submission for the public record. As counsel for these entities and Mr. Viguerie, I ask that this letter be included in the public record.

TVC, AMLC and Mr. Viguerie reiterate the assertions made in their previous submissions to the Commission that the entities, and Mr. Viguerie, as President of both, did not make prohibited corporate contributions to UCA, nor did they violate any of the reporting statutes and/or regulations. TVC, AMLC and Mr. Viguerie have consistently and strongly disagreed with the Commission's initial assertions, which formed the basis for its investigation, that the companies' business practices and the circumstances relating to UCA in particular may have been unlawful or inappropriate in any way. Had the Commission continued to pursue the matter, regardless of its reasons for finding no liability as stated in its April 2, 1997 letter, we have no doubt that TVC, AMLC and Mr. Viguerie would have been found not liable for any of the alleged violations.

Very truly yours,



Mark J. Fitzgerald  
General Counsel

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