



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR #

454

Date Filmed \_\_\_\_\_ Camera No. --- 2

Cameraman \_\_\_\_\_

709401143+

EST. 1974





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 454

Date Filmed 3/15/79 Camera No. --- 2

Cameraman APC



FEDERAL ELECTION COMMISSION

12/19/77 Memo from Dave Feldman to Bill Oldaker  
12/16/77 Memo from Susan Propper to File  
10/16/77 Memo from Susan Kalthaug to Murray & Peter Hall

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

- |  |   |
|--|---|
| <input type="checkbox"/> (1) Classified Information                                | <input type="checkbox"/> (6) Personal privacy                             |
| <input type="checkbox"/> (2) Internal rules and practices                          | <input type="checkbox"/> (7) Investigatory files                          |
| <input type="checkbox"/> (3) Exempted by other statute                             | <input type="checkbox"/> (8) Banking Information                          |
| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> (9) Well Information (geographic or geophysical) |
| <input checked="" type="checkbox"/> (5) Internal Documents                         |   |

Signed

date

[Signature]  
3/9/79

FEC 9-21-77

70040110431



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Livingston for Congress Committee )  
Richard A. Viguerie Co., Inc. )

MUR 454 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 1, 1979, the Commission approved by a vote of 6-0 the General Counsel's recommendations, as set forth in the General Counsel's Report dated February 5, 1979, to find no reason to believe a violation occurred and close the file in the above-captioned matter.

Attest:

3/2/79

Date

*Marjorie W. Emmons*

Marjorie W. Emmons  
Secretary to the Commission

Signed by the General Counsel:  
Received in the Office of Commission Secretary  
Circulated on a 48-hour tally vote basis  
Objection filed  
Considered in Executive Session  
Objection withdrawn and replaced with affirmative vote

2-23-79  
2-23-79, 3:15 p.m.  
2-23-79, 4:30  
2-26-79, 4:43  
3-1-79  
3-1-79

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## FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE  
FROM: MARJORIE W. EMMONS *mwe*  
DATE: FEBRUARY 27, 1979  
SUBJECT: OBJECTION - MUR 454 - General Counsel's  
Report dated 2-5-79  
Received in OCS 2-23-79, 3:15

The above-named document was circulated on a 48  
hour vote basis at 4:30, February 23, 1979.

Commissioner Tiernan submitted an objection at  
4:43 p.m. on February 26, 1979 thereby placing MUR 454  
on the Amended Executive Session Agenda for Thursday,  
March 1, 1979 .

cc: Commissioner Tiernan

70010117431



February 23, 1972

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Carr  
SUBJECT: MUR 454

Please have the attached General Counsel's Report on MUR 454 distributed to the Commission on a 48 hour tally basis.

Thank you.

79040110435



BEFORE THE FEDERAL ELECTION COMMISSION  
February 5, 1979

RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

79 FEB 23 P 3: 15

In the Matter of )  
 )  
Livingston For Congress Committee) MUR 454(77)  
Richard A. Viguerie Co., Inc. )

GENERAL COUNSEL'S REPORT

Background

7 9 0 4 0 1 1 0 4 3 ;

This matter was referred to the Office of General Counsel from the Reports Analysis Division (then Disclosure Division) in October, 1977. The referral was precipitated when a routine review of the Livingston for Congress Committee (LCC) reports showed that large debts were owed to the Richard A. Viguerie Co., Inc. (RAVCO) and a number of other firms. The reports, at that time, stated that a debt settlement had been reached. The terms of the settlement indicated that ordinary business practices might not have been followed. This raised the possibility that RAVCO might have made illegal corporate contributions to the LCC.

On January 11, 1978 the Commission voted to defer action in this matter pending receipt of the LCC year-end report.

On February 4, 1978 the LCC submitted its year-end report and on April 14, 1978 LCC's April 10 Quarterly report was received.

Evidence

The Livingston for Congress Committee (LCC) entered into a contract<sup>1/</sup> with the Richard A. Viguerie Co., Inc. (RAVCO) in late July, 1977, under which RAVCO was to provide consulting and computer services and to prepare various direct mailing campaigns.<sup>2/</sup>

<sup>1/</sup> A copy of the contract is attached. (Attachment #1).

<sup>2/</sup> These mail campaigns were for a special congressional election held on August 27, 1977.



RAVCO in turn ordered much of the work from various firms. All invoices, however, went directly to LCC and all payments were made by LCC to the various firms.

In August, 1977, after the work was completed, the Respondents allegedly had a dispute over the total amount due under the contract. An explanatory note included in an amended report submitted by LCC indicates that the parties reached an agreement on September 13, 1977, whereby LCC paid RAVCO \$14,000 and RAVCO "accepted the responsibility of raising sufficient funds on behalf of the Committee" to retire the \$41,027.01 allegedly left outstanding. (The amounts in question are drawn from Special Schedule C of the amended report).<sup>3/</sup> On the basis of this undertaking by RAVCO, the LCC asserted in its report to the Commission its belief that it is "no longer legally liable" on the debt in question. However, on its year-end report submitted on February 4, 1978, the LCC stated in a note to its schedule C that,

The committee has resolved its dispute with the Richard A. Viguerie Co., Inc. and its subcontractors. The committee signed notes covering the original invoices from these firms, and the firms agreed to do subsequent mailings until the debts were retired. The mailings in question are to raise sufficient funds to also pay off the costs of the new mailings. Since the question of liability has thus been resolved against the committee, we will cease to file special SCHEDULE C, and the totals will now be included in simply one SCHEDULE C. (Emphasis Added).

The April 10, 1978 Quarterly Report shows that all debts owing to RAVCO and its affiliates have been paid in full.

<sup>3/</sup> The special Schedule C. triggered this enforcement proceeding by raising the possibility that the debts were not incurred or settled in the ordinary course of business. See Attachment 2.

7 9 0 1 0 1 1 7 4 3 7



Analysis

In light of the fact that no portion of the debts was forgiven by RAVCO, and that all debts were paid in full, there does not appear to be a "debt settlement" as defined by 11 C.F.R. §114.10(b).

However, there is a question of whether there were extensions of credit by RAVCO and its affiliates to the LCC which were not within the bounds of 11 C.F.R. §114.10(a). That section states:

A corporation may extend credit to a candidate, political committee, or other person in connection with a Federal election 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 nonpolitical debtors which are of similar risk and size of obligation....

According to the Special Schedule C filed by the LCC in September 1977, between July 27, 1977 and September 1, 1977, RAVCO-related companies provided the LCC with services costing \$73,094.38. During this period the LCC paid \$32,067.32. Thus, RAVCO and its affiliates may have extended the LCC approximately \$41,000 of credit for fund-raising and voter mailings.

The terms of the contract between the LCC and RAVCO detailed the procedures that would be followed by the LCC in paying for RAVCO's services.

Section 5 of the contract states:

Section 5. CLIENT agrees to pay all postage money in advance of any mailing made under this Agreement. CLIENT further agrees to pay all invoices for all costs incurred in performing the services under this Agreement upon receipt of such invoices and in no event later than ten (10) days from date of billing.



The LCC may have satisfied that part of Section 5 which required prepaid postage, since the reports indicate the LCC paid RAVCO and its affiliates \$32,067.37 during the month of August. However, with regard to the paying of the invoices the LCC was clearly deficient since, by their own admission, they disputed RAVCO over the amount which should have been paid.

This does not however indicate an unusual extension of credit by RAVCO, primarily because of the shortness of the period between contracting and billing. The contract was entered into on July 15, 1977. We do not know the exact date that LCC was billed for the mailings but it would have had to have been in August and early September. From the description given of the relationship of RAVCO and LCC in August (see Schedule C) it is clear that little time elapsed between (a) the contract (July 15); (b) the billing (August); (c) LCC's refusal or inability to pay (end of August, early September); (d) RAVCO's resolving the situation by securing partial payment (September 13) and securing promissory notes for the remaining obligations (September 19). There therefore does not appear to have been a deliberate extension of credit but rather an attempt to secure payment, with RAVCO's inability to do so resulting in a de facto extension of credit.

Apparently the LCC was unable as well as unwilling to meet its obligation under the contract since it still held over \$41,000 in unpaid invoices owing to RAVCO and its affiliates on September 19, 1977. On that date the LCC executed promissory notes covering the debts owed to RAVCO and its affiliates at an 8% annual interest rate.<sup>4/</sup>

<sup>4/</sup> The prime interest rate for short-term business loans in September 1977 was 7.13%.

7 0 0 4 0 1 1 0 4 3 9



It should be pointed out that as of September 16, 1978, the LCC had over \$85,000 in outstanding obligations, with only \$15,000 cash-on-hand.

What distinguishes this situation from other corporate extensions of credit is that the committee's creditor, in this instance, is also the committee's fundraiser. It would not in this commercial arrangement seem reasonable for the creditor to go to court to enforce its debt, since the debtor would ultimately have to turn to its fundraiser in order to obtain the money to satisfy the debt.

Thus, unusual as this contractual arrangement is, the execution of the contract by the creditor appears commercially responsible and reasonable. The contract was entered into July 15, 1977, with the services being performed during August. In that period RAVCO collected nearly one-half of the total due and, less than three weeks later, on September 19, 1977, had the LCC execute promissory notes for the remaining obligations. By the filing of the year-end report, the LCC had paid approximately two-thirds of the total due, and as stated above, by March 31, 1978 all RAVCO-related debts were paid in full.

The question of whether the terms of the extensions of credit were substantially similar to those of non-political debts is unanswerable in this situation, since there is no evidence indicating whether RAVCO has non-political clients, to whom credit might be extended. In any event, the commercial reasonableness of the credit terms in the situation at issue indicates that further investigation is not warranted.




As the extensions of credit appear to have been commercially reasonable transactions, and as all the debts in question were fully paid, no violation of 2 U.S.C. §441b seems to have occurred.

Recommendation

Find no reason to believe a violation occurred and close the file.

27 Feb 1977  
Date

  
\_\_\_\_\_  
William C. Oldaker  
General Counsel

Attachments

- Attachment I - Agreement
- Attachment II - Note to Special Schedule C

70010110411



Attachment, To 110442  
AGREEMENT

BY AND BETWEEN

RICHARD A. VIGUERIE COMPANY, INC.

AND

LIVINGSTON FOR CONGRESS COMMITTEE

THIS AGREEMENT made this 15th day of July, 1977 by and between Richard A. Viguerie Company, Inc. (hereinafter referred to as "RAV") and Livingston for Congress Committee (hereinafter referred to as "CLIENT").

In consideration of the mutual covenants and provisions herein contained and other valuable consideration, the undersigned Parties agree as follows:

Section 1. CLIENT hereby retains RAV as its sole and exclusive consultant and advisor in CLIENT's conduct of its direct mail solicitation of contributions and voter mailings. CLIENT agrees during the term of this Agreement and in consideration of RAV's execution of this Agreement not to retain or use the services of any other person or company to provide counsel and advice to or otherwise assist CLIENT in conducting its direct mail.

Section 2. RAV affiliates shall have the right to perform printing and mailing work generated under this Agreement. RAV's computer division shall have the right to perform data processing that is required to carry out this Agreement. There shall be no RAV markup on suppliers' or subcontractors' invoices billed to CLIENT.

Section 3. CLIENT agrees to pay RAV a fee of Five Cents (\$0.05) for each letter mailed or Fifty Dollars (\$50.00) for each one thousand letters mailed by RAV under this Agreement.

Section 4. CLIENT also agrees to pay RAV a list rental fee of Six Cents (\$0.06) for each name and address or Sixty Dollars (\$60.00) for each one thousand names and addresses mailed from RAV's mailing lists.

Section 5. CLIENT agrees to pay all postage money in advance of any mailing made under this Agreement. CLIENT further agrees to pay all invoices for all costs incurred in performing the services under this Agreement upon receipt of such invoices and in no event later than ten (10) days from date of billing.

Section 6. CLIENT reserves the right to approve copy for all letters and other enclosures prepared and mailed under this Agreement.

Section 7. RAV agrees to do the writing, the securing of mailing lists, printing, production and mailing of all letters. RAV 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 (computer or offset, etc.) that will be used, and when the letters will be mailed.

Section 8. The Parties agree that CLIENT reserves the right to cancel any scheduled mailings at any time without prior notice. However, CLIENT is responsible for all debts incurred on its behalf under this Agreement up to the point of such cancellation.

Section 9. 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 CLIENT, by or through the direct or indirect effort of RAV in connection with any services rendered by RAV to CLIENT pursuant to the terms hereof shall at all times be and constitute the property solely and exclusively of RAV and CLIENT and to be used at any time by RAV in any manner, for any purpose for its own account and on behalf of any such parties as RAV shall from time to time determine, and to be used by CLIENT during the term hereof only for the purpose herein permitted. It is further covenanted and



of this contract or after expiration hereof, use said names and addresses for the purposes other than in connection with CLIENT's own operations. CLIENT shall not at any time during the term hereof or thereafter sell, exchange, rent or otherwise make available any or all of said names and addresses to any other parties for any purpose, whatsoever. However, RAV shall be free to use these names and addresses in any way it so desires and for any purpose it may determine.

Section 10. For security reasons, any computer work CLIENT desires to have done with any names developed as a result of RAV's efforts must be done at RAV or at a facility designated by RAV during the term of the Agreement or within three (3) years thereafter.

Section 11. CLIENT recognizes that daily mail results, i.e., number of responses, number of acceptances and rejections, dollar amounts collected and tabulated, are required by RAV in measuring the effectiveness of the direct mail campaigns hereunder. CLIENT therefore agrees to provide such results daily or as soon as reasonably possible to RAV.

Section 12. (a) CLIENT agrees that all net funds raised on its behalf, as a result of the efforts of RAV pursuant to this Agreement shall be used exclusively for direct mail voter solicitations on behalf of CLIENT.

(b) If RAV's fund raising efforts produce funds over and above that required for direct mail voter solicitation and fund raising costs, CLIENT may use these excess funds at his own discretion.

Section 13. CLIENT agrees to forward to RAV immediately, or as soon as reasonably possible, but in any event no later than ten (10) days after receipt, all names, addresses and other pertinent information, described in Section 11 hereof, received as a result of the direct mail consultation services of RAV. Such information will be keypunched for computer processing and maintained at CLIENT expense.

Section 14. RAV will be responsible for properly thanking all contributors to CLIENT pursuant to the terms of this Agreement.

Section 15. This Agreement shall remain in effect from the 15th day of July, 1977 until:

- (1) All client debts incurred in connection with this Agreement have been paid through RAV direct mail fund raising solicitations, or
- (2) The 31st day of December, 1977, whichever occurs last.

It is expressly understood and agreed upon that after this contract terminates, Sections 9 and 10 shall survive such termination and remain binding upon the Parties. It is further agreed that RAV shall attempt to recover any of the cost of mailing through its direct mail effort. This Agreement may be continued under the terms of any specified period of time upon written agreement of both Parties.

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

WITNESS

RICHARD A. VIGUERIE COMPANY, INC.

BY \_\_\_\_\_

BY \_\_\_\_\_

DATE \_\_\_\_\_

DATE \_\_\_\_\_

WITNESS

LIVINGSTON FOR CONGRESS COMMITTEE

BY Allen B. Bernal

BY J. Allen Martin

DATE July 15, 1977

DATE July 15, 1977



SPECIAL

Module C

1976  
Federal Election Commission  
1100 ... Street, N.W.  
Washington, D.C. 20004

# Debts and Obligations for Line Numbers 26 and/or 27 of FEC Form 3

(See instructions on back)

Page 1 of 1 for

LINE NUMBER

(Use separate schedule(s) for each numbered line)

Name of Candidate or Committee in full ID# 062715 Livingston for Congress Committee		Amount of Original Debt, Contract, Agree- ment or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Full name, mailing address and ZIP code, and nature of obligation Metro Printing & Mailing Service 8446 Lee Hwy. Fairfax, Va. 22030 current-printing&mailing services	Date (month, day, year) 7/27/77 to 8/31/77	\$ 6,616.74	\$ 3,515.83	\$ 3,070.91
Full name, mailing address and ZIP code, and nature of obligation Prep, Inc. 2611 Shirlington Rd. Arlington, V a. 22206 current-bulk mail preparation	Date (month, day, year) 7/27/77 to 8/31/77	\$ 13,257.77	\$ 4,346.65 5,939.81	\$ 2,971.31
Full name, mailing address and ZIP code, and nature of obligation McCollum Press 11730 Parklawn Dr. Rockville, Md. 20852 current - printing services	Date (month, day, year) 7/29/77 8/8/77	\$ 2,324.70 1,553.72	\$ -0-	\$ 3,878.42
Full name, mailing address and ZIP code, and nature of obligation Smith Lithograph Corp 1029 E. Gude Dr. Rockville, Md. 20850 current - printing services	Date (month, day, year) 8/12/77	\$ 530.67	\$ -0-	\$ 530.67
Full name, mailing address and ZIP code, and nature of obligation Advanced Business & Computer Supplies & Services, Inc. 4620 Lee Hwy, Arlington, Va. 22207 current - computer services	Date (month, day, year) 8/30/77 & 8/31/77	\$ 530.01	\$ -0-	\$ 530.01
Full name, mailing address and ZIP code, and nature of obligation Diversified Printing Services 2936 Prosperity Avenue Fairfax, Va. 22030 current - computer forms	Date (month, day, year) 8/15/77	\$ 1,132.56	\$ -0-	\$ 1,132.56
Full name, mailing address and ZIP code, and nature of obligation Diversified Mailing Services, Inc. 7777 Leesbury Pike Falls Church, Va. 22043 current - mailing services	Date (month, day, year) 8/2/77 to 9/1/77	\$ 11,215.47	\$ 4,235.08	\$ 6,980.39
Full name, mailing address and ZIP code, and nature of obligation Richard A. Viguerie Co., Inc. 7777 Leesburg Pike Falls Church, Va. 22043 current - consulting, computer & mailing services	Date (month, day, year) 7/31/77 to 8/31/77	\$ 35,932.74	\$ 14,000.00	\$ 21,932.74
Subtotal this period (this page (optional))		\$ 73,094.38	\$ 32,067.37	\$ 41,027.01
Total the period (last page this line number only)		\$	\$	\$

Carry outstanding balance only, to appropriate line of summary.



# Bob Livingston CONGRESS

## NOTE TO SPECIAL SCHEDULE "C"

In late July, 1977, the committee entered into a contract with the Richard A. Viguerie Company, Inc. (hereinafter called RAVCO) of 7777 Leesburg Pike, Falls Church, Virginia. The contract called for RAVCO to provide consulting and computer services and the preparation and mailing of various direct mailing campaigns. In turn, RAVCO ordered much of the work from various firms (most of which appear on the Special Schedule "C"). Invoices from RAVCO and the other firms were submitted directly to the Committee.

However, in late August, 1977, a genuine and honest dispute arose between the Committee and RAVCO over the total amount due under the terms of the contract. It was the Committee's position that irrespective of amounts shown on various invoices, the contract provided limits as to the total obligation of the Committee.

A settlement was reached, and on September 13, 1977, the Committee paid RAVCO \$14,000.00, and RAVCO accepted the responsibility of raising sufficient funds on behalf of the Committee to retire the charges shown on Special Schedule "C".

However, due to the unique circumstances surrounding these transactions, the Committee believes that it is no longer legally liable for the obligations disclosed on Special Schedule "C". For that reason, the amounts contained therein are not included in the total shown on page 2, line 27, of this report. Rather, we deem it best to submit the Special Schedule and this note in a good faith attempt to comply with the disclosure requirements of the election law.

For future references note that the money to be raised to retire these charges will be handled by the Committee. The receipts and disbursements will be reflected on our reports, and we will continue to file a Special Schedule "C" until the various charges are paid.

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

MEMORANDUM TO

CHARLES STEELE

FROM:

MARJORIE W. EMMONS *mwe*

DATE:

JANUARY 29, 1979

SUBJECT:

MUR 454 (77) - Interim Report dated  
1-24-79; Received in OCS 1-25-79,  
1:29

The above-named document was circulated on a 24  
hour no-objection basis at 11:00, January 26, 1979.

The Commission Secretary's Office has received  
no objections to the Interim Report as of 12:00, this  
date.

72040110446



January 25, 1979

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Gaxe  
SUBJECT: MUR 454

Please have the attached Interim Report on MUR 454  
distributed to the Commission.

Thank you.

79040110447



RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

'9 JAN 25 P 1: 29

In the Matter of )  
 )  
Livingston for Congress Committee ) MUR 454 (77)  
Richard A. Viguerie Co., Inc. )

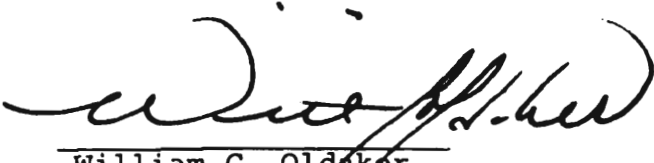
Interim Report

This matter was referred from the Reports Analysis Division and concerns the relationship between the Livingston for Congress Committee (LCC) and the Richard A. Viguerie Co., Inc. (RAVCO).

The question which this matter raises is whether extensions of credit by RAVCO to the LCC were in the ordinary course of business.

A full report will be submitted to the Commission within two weeks.

1/24/79  
Date

  
William C. Oldaker  
General Counsel

70010110448





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

MEMORANDUM TO                      CHARLES STEELE  
FROM:                                  MARJORIE W. EMMONS *Mar E EMMONS*  
DATE:                                  DECEMBER 21, 1978  
SUBJECT:                              MUR 454 (77) - Interim Report dated 12-18-78  
   Received in OCS: 12-20-78,  
   11:43

The above-named document was circulated on a 24  
hour no-objection basis at 3:30, December 20, 1978.

The Commission Secretary's Office has received  
no objections to the Interim Report as of 4:30 this date.

11/20/78



December 20, 1978

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Garr  
SUBJECT: MUR 454

Please have the attached Interim Report on  
MUR 454 distributed to the Commission on a 24 hour  
no-objection basis.

Thank you.

79040110450



RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

78 DEC 20 AM: 43


In the Matter of )  
 )  
Livingston for Congress ) MUR 454(77)  
Committee )

INTERIM REPORT

This matter concerns the relationship between the Livingston for Congress Committee (Committee) and the Richard A. Viguerie Co., Inc. (RAVCO). It appears that RAVCO loaned the committee funds. The focus of this matter is whether the loans were made in the ordinary course of business.

This case was recently reassigned to David Federman who is currently analyzing the file to determine what violations, if any, may have occurred through the arrangement.

12/18/78  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
William C. Oldaker  
General Counsel





# FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

MEMORANDUM TO

CHARLES STEELE

FROM:

MARJORIE W. EMMONS

DATE:

SEPTEMBER 27, 1978

SUBJECT:

MUR 454 Status Report dated 9-25-78  
Received in Office of  
Commission Secretary:  
9-25-78, 4:41

The above-named document was circulated on a 24 hour no-objection basis at 4:00 p.m., September 26, 1978.

The Commission Secretary's Office has received no objections to the Status Report as of 4:15 this date.

*MWE*

7001011045



September 25, 1978

MEMORANDUM TO: Marge Emmons  
FROM: Eliass T. Garr  
SUBJECT: MUR 454

Please have the attached Status Report on MUR 454  
distributed to the Commission.

Thank you.

79040110453



RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

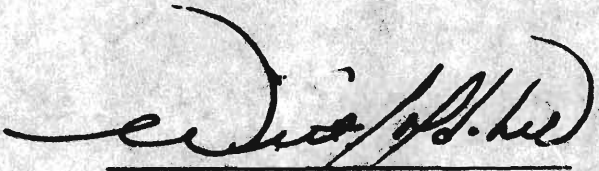
BEFORE THE FEDERAL ELECTION COMMISSION SEP 25 P 4: 41

In the Matter of )  
 ) MUR 454  
Livingston for Congress Committee )  
Richard A. Viguerie Co., Inc. )

STATUS REPORT

The attorney who has been assigned to this matter presently has other pressing MUR's and litigation which must be handled on a priority basis. Therefore, action on this internally-generated matter will be deferred.

9/25 / 78  
Date

  
William C. Oldaker  
General Counsel

79040110454



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )

)  
Livingston for Congress Committee )  
Richard A. Viguerie Co., Inc. )

MJR 454

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on August 2, 1978, the Commission determined by a vote of 5-1 to approve the recommendation of the General Counsel that action be deferred in the above-captioned matter in order that litigation matters of a priority nature may be handled first.

Commissioner Harris dissented.

Attest:

8/2/78

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary to the Commission

72040110455





# FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE  
FROM: MARJORIE W. EMMONS *MWE*  
DATE: JULY 31, 1978  
SUBJECT: MUR 454 Status Report  
Undated  
Received in Office of Commission  
Secretary: 7-28-78, 11:40

The above-named document was circulated on a 48 hour  
vote basis at 3:00, July 28, 1978.

Commissioner Staebler submitted an objection at 4:26 p.m.  
on July 28, 1978, thereby placing MUR 454 on the Agenda for  
Wednesday, August 2, 1978.

A copy of Commissioner Staebler's vote sheet is  
attached.

Attachment:  
Vote Sheet

cc: Commissioner Staebler







FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

RECEIVED  
OFFICE OF THE  
MANAGING SECRETARY

78 JUL 28 P 4: 26

DATE AND TIME OF TRANSMITTAL 3:00 July 28, 1978

Commissioner Strickland

RETURN TO OFFICE OF COMMISSION SECRETARY BY: 3:00 July 31, 1978

MUR No. 454 Status Report, signed July 28, 1978

(X) I object to the recommendation in the attached report.

COMMENTS:

LET'S DISCUSS AT COMN MEETING

Date

7/20/78

Signature

Phil Strickland

OBJECTIONS, SIGNED AND DATED, MUST BE RECEIVED IN THE COMMISSION SECRETARY'S OFFICE NO LATER THAN THE DATE AND TIME SHOWN ABOVE OR THE MATTER WILL BE DEEMED APPROVED. PLEASE RETURN ALL PAPERS TO THE OFFICE OF THE SECRETARY TO THE COMMISSION.





July 28, 1978

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Carr  
SUBJECT: MUR 454

Please have the attached Status Report on MUR 454  
distributed to the Commission.

Thank you.

79040110458



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Livingston for Congress Committee }  
Richard A. Viguerie Co., Inc. }

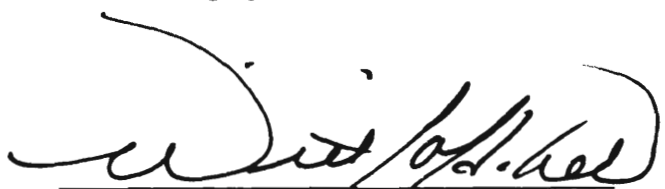
MUR 454

STATUS REPORT

The attorney who has been assigned to this matter presently has other pressing MURs and litigation, such as preparing the Commission's summary judgment papers in Federal Election Commission v. Committee for a Constitutional Presidency-McCarthy '76, which must be handled on a priority basis. Therefore, action on this internally-generated matter will be deferred.

Date

7/20/78

  
William C. Oldaker  
General Counsel

70040110450



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Livingston for Congress Committee )  
Richard A. Viguerie Co., Inc. )  
(A Virginia Corporation) )

MUR 454 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on January 18, 1978, the Commission determined by a vote of 5-0 to defer action in the above-captioned matter until the Livingston for Congress Committee year-end report has been received, and the FEC staff has reviewed the report and submitted a recommendation to the Commission

Commissioner Harris was not present at the time of the vote.

*Marjorie W. Emmons*

Marjorie W. Emmons  
Secretary to the Commission

70040110460





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

December 15, 1977

MEMORANDUM TO: CHARLES STEELE  
FROM: MARJORIE W. EMMONS  
SUBJECT: MUR 454 (77) - OBJECTION

*mwe*

MUR 454 (77) was circulated to the Commissioners on  
December 13, 1977 at 9:00 a.m.

Commissioner Tiernan has submitted an objection to MUR 454 (77)  
thereby placing it on the Agenda for December 15, 1977.

*12-15-77 - Hand Over*

79040117461



December 9, 1977

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Garr  
SUBJECT: MUR 454

Please have the attached 7 Day Report distributed to  
the Commission on a 24 hour no-objection basis.

Thank you.

79040110462



FEDERAL ELECTION COMMISSION  
1325 K Street, N.W.  
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL  
BY OGC TO THE COMMISSION \_\_\_\_\_

MUR # 454 (77)  
DATE COMPLAINT RECEIVED  
BY OGC \_\_\_\_\_

STAFF MEMBER S. Propper

COMPLAINANT'S NAME: Internally generated by report from Disclosure Division

RESPONDENT'S NAME: Livingston for Congress Committee; Richard A. Viguerie Co.,  
Inc. (A Virginia Corporation)

RELEVANT STATUTE: 2 U.S.C. §441b(a);

INTERNAL REPORTS CHECKED: Campaign Reports

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

That a debt settlement whereby the Livingston for Congress Committee is freed from debts owing to RAVCO in return for giving RAVCO "the responsibility of raising sufficient funds on behalf of the Committee to retire" these debts does not satisfy the Act's requirements and those of 11 CFR 114.10 for reporting and disclosure of debts, or obligations, or their extinguishment and the considerations therefore.

PRELIMINARY LEGAL ANALYSIS

Based on information submitted in satisfaction of its disclosure requirements, the Livingston for Congress Committee ("LCC") entered into a contract with the Richard A. Viguerie Co., Inc. ("RAVCO") in late July, 1977, under which RAVCO was to provide consulting and computer services and to prepare various direct mailing campaigns.



PRELIMINARY LEGAL ANALYSIS (Cont.)

RAVCO in turn ordered much of the work from various firms. All invoices, however, went directly to LCC and all payments were made by LCC. (It is unclear whether RAVCO or the firms mailed the invoices to LCC.)

In August, 1977, after the work was completed, the Respondents allegedly had a dispute over the total amount due under the contract. An explanatory note included in an amended report submitted by LCC (see attached Exhibits 1 and 2) indicates that the parties reached an agreement on September 13, 1977, whereby LCC paid RAVCO \$14,000 and RAVCO "accepted the responsibility of raising sufficient funds on behalf of the Committee" to retire the \$45,373.65 allegedly left outstanding. (The amounts in question are drawn from Special Schedule C of the amended report).<sup>1/</sup> On the basis of this undertaking by RAVCO, the LCC asserted in its report to the Commission its belief that it is "no longer legally liable" on the debt in question. The Committee did state that all funds raised by RAVCO would be handled by the Committee.

Since the remission of the debt clearly raises questions of whether the benefits gained by a committee or candidate should be viewed as a contribution, the Commission in its regulations specifically provided that the corporation or debtor should file a statement "including the initial terms of credit, the steps the debtor has taken to satisfy the debt, and remedies pursued by the creditor. This statement must be filed prior to the termination and the reporting status of the debtor and the settlement is

<sup>1/</sup> At this time, it is not clear how many of the companies which apparently sent invoices to LCC are affiliated with RAVCO; however, it appears that RAVCO may include many, if not all, of those companies listed in Special Schedule C. RAVCO may include other companies as well.



PRELIMINARY LEGAL ANALYSIS (Cont.)

subject to Commission review." 11 CFR 114.10(c). Even if the Commission was to accept the explanatory note of the LCC -- not filed until after the settlement here in question -- the note inadequately reveals the information required by the Commission rules. Section 114.10(c) requires that debts be settled in a "commercially reasonable" manner. Where, as here, the settlement of the debt involves a major creditor of the campaign, the debt settled is approximately \$45,000, the corporation involved is apparently responsible for a large portion of the solicitations of the campaign, and the Livingston campaign was apparently solvent at the time of the settlement, there seems to be a question as to the commercial reasonableness of the debt settlement. There is also presently no information as to the steps taken to collect the debt or to show that the creditor has pursued his available legal remedies (11 CFR 114.10(c), (2), (3)).

All of these threshold circumstances create, in our opinion, a need for an investigation of this matter. The investigation, initiated pursuant to the attached letters, would focus on clarification and elaboration of the details provided by LCC in their note to Schedule C. This would include the terms of the original contract between RAVCO and LCC; LCC's knowledge of or participation in the agreements with subcontractors; the actual debts owed to RAVCO and companies with which RAVCO dealt on behalf of LCC; the substance of the settlement negotiations between the parties; and the terms of the settlement agreement. (These concerns are reflected in the letters attached to this report.)



QUESTIONS REGARDING MUR 454 (77)

1. a) What were the terms of the contract for services between the Livingston for Congress Committee and the Richard A. Viguerie Co., Inc. (RAVCO), entered into in July, 1977? Please include copies of all agreements or contracts for such services between July, 1977 and the present, as well as copies of any correspondence or memoranda relating to this matter. (We note that a copy of the 7/15/77 agreement with RAVCO has already been supplied to the Commission's auditors. Therefore, this request pertains to any other materials meeting the above description which are in existence.)

b) Who represented the Committee in its dealings with RAVCO during the contract negotiations? Who represented RAVCO? Please submit names, addresses and representative capacity of all those involved.

2. In the Note to Special Schedule C, your Committee states that a settlement of the outstanding debts to RAVCO was reached on September 13, 1977. Please supply the following information:

a) Who represented your Committee in the settlement negotiations? Please submit names, addresses and representative capacity of all those involved.

b) Prior to September 14, 1977, were there any settlement contracts between RAVCO and your Committee (e.g., meetings, discussions, telephone conversations, exchanges of letters)? If the answer to this question is yes, please supply the dates of all such contacts. Please also supply copies of any written records made with respect to these contacts, such as memoranda or letters.

c) Please supply copies of all of the documents which embody the settlement arrived at between your committee and RAVCO on September 13, 1977.

3. The note in your post election campaign report states that "most" of the firms involved in the work ordered by RAVCO are listed in Special Schedule C.

a) Please identify the names and addresses of all firms which were involved in the work ordered by RAVCO and an explanation of how you learned of this involvement.

b) Insofar as not answered in (a), was the Committee a party to any agreements between RAVCO and any of these firms? If so, please identify which such agreements the Committee was party to and include a copy of said agreements. If not, was the Committee sent copies of, or otherwise given notice of, the terms of agreements between RAVCO and those firms listed in (a)? Please submit copies of all agreements, contracts or any related correspondence so received.

c) Which of the firms listed in (a) were covered by the settlement agreement?

d) Are the debts owed to each firm fully set forth in Special Schedule C? If not, please explain, listing all additional debts covered by the settlement.



e) Were any debts incurred pursuant to the original contract between the Committee and RAVCO which were not included in the settlement? If so, please explain.

4. The Note to Special Schedule C states that RAVCO will raise the amount of the debt set forth in the September 13, 1977 settlement, and that this money "will be handled by the Committee." Please supply the following information:

a) Describe how your Committee has been or is presently involved in the debt repayment plan. Include the names of all individuals who have been or are "handling" the RAVCO monies and the persons in the RAVCO organization with whom the Livingston Committee has been or will be dealing in this regard.

b) How much money has been repaid to RAVCO at this time under the terms of the settlement agreement (not including the \$14,000 paid by the Committee on September 13)?

70040110467



# Bob Livingston CONGRESS

## NOTE TO SPECIAL SCHEDULE "C"

In late July, 1977, the committee entered into a contract with the Richard A. Viguerie Company, Inc. (hereinafter called RAVCO) of 7777 Leesburg Pike, Falls Church, Virginia. The contract called for RAVCO to provide consulting and computer services and the preparation and mailing of various direct mailing campaigns. In turn, RAVCO ordered much of the work from various firms (most of which appear on the Special Schedule "C"). Invoices from RAVCO and the other firms were submitted directly to the Committee.

However, in late August, 1977, a genuine and honest dispute arose between the Committee and RAVCO over the total amount due under the terms of the contract. It was the Committee's position that irrespective of amounts shown on various invoices, the contract provided limits as to the total obligation of the Committee.

A settlement was reached, and on September 13, 1977, the Committee paid RAVCO \$14,000.00, and RAVCO accepted the responsibility of raising sufficient funds on behalf of the Committee to retire the charges shown on Special Schedule "C".

However, due to the unique circumstances surrounding these transactions, the Committee believes that it is no longer legally liable for the obligations disclosed on Special Schedule "C". For that reason, the amounts contained therein are not included in the total shown on page 2, line 27, of this report. Rather, we deem it best to submit the Special Schedule and this note in a good faith attempt to comply with the disclosure requirements of the election law.

For future references note that the money to be raised to retire these charges will be handled by the Committee. The receipts and disbursements will be reflected on our reports, and we will continue to file a Special Schedule "C" until the various charges are paid.

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.



(See instructions on back)

Name of Candidate or Committee in full		Amount of Original Debt, Contract, Agree- ment, or Promise		Cumulative Payment To Date		Outstanding Balance at Close of The Period	
Livingston for Congress Committee		ID# 062715					
Full Name, mailing address and ZIP code, and nature of obligation		Date (month, day, year)		\$		\$	
Metro Printing & Mailing Service 6446 Lee Hwy. Fairfax, Va. 22030 current-printing&mailing services		7/27/77 to 8/31/77		\$ 6,616.74		\$ 3,515.83	
Full Name, mailing address and ZIP code, and nature of obligation		Date (month, day, year)		\$		\$ 3,070.91	
Prep, Inc. 2611 Shirlington Rd. Arlington, Va. 22206 current-bulk mail preparation		7/27/77 to 8/31/77		\$ 13,257.77		\$ 5,939.81	
Full Name, mailing address and ZIP code, and nature of obligation		Date (month, day, year)		\$		\$ 7,317.96	
McCollum Press 11730 Parklawn Dr. Rockville, Md. 20852 current - printing services		7/29/77 8/8/77		\$ 2,324.70 1,553.72		\$ -0-	
Full Name, mailing address and ZIP code, and nature of obligation		Date (month, day, year)		\$		\$ 3,878.42	
Smith Lithograph Corp 1029 E. Gude Dr. Rockville, Md. 20850 current - printing services		8/12/77		\$ 530.67		\$ -0-	
Full Name, mailing address and ZIP code, and nature of obligation		Date (month, day, year)		\$		\$ 530.67	
Advanced Business & Computer Supplies & Services, Inc. 4620 Lee Hwy, Arlington, Va. 22207 current - computer services		8/30/77 & 8/31/77		\$ 530.01		\$ -0-	
Full Name, mailing address and ZIP code, and nature of obligation		Date (month, day, year)		\$		\$ 530.01	
Diversified Printing Services 2936 Prosperity Avenue Fairfax, Va. 22030 current - computer forms		8/15/77		\$ 1,132.56		\$ -0-	
Full Name, mailing address and ZIP code, and nature of obligation		Date (month, day, year)		\$		\$ 1,132.56	
Diversified Mailing Services, Inc. 7777 Leesbury Pike Falls Church, Va. 22043 current - mailing services		8/2/77 to 9/1/77		\$ 11,215.47		\$ 4,235.08	
Full Name, mailing address and ZIP code, and nature of obligation		Date (month, day, year)		\$		\$ 6,980.39	
Richard A. Viguier Co., Inc. 7777 Leesburg Pike Falls Church, Va. 22043 current - consulting, computer & mailing services		7/31/77 to 8/31/77		\$ 35,932.74		\$ 11,000.00	
Subtotal (this period this page top only)				\$ 73,091.38		\$ 27,720.72	
Total (the period last page this line number only)				\$		\$ 35,371.65	
Carry outstanding balance only, to appropriate line of summary				\$		\$	





## FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

J. W. Parra, Treasurer  
Livingston for Congress Committee  
Suite 410  
New Orleans, Louisiana 70114

Re: MUR 454 (77)

Dear Mr. Parra:

This letter is to notify you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, particularly after examination of the amended report filed by your committee on 1977, the Federal Election Commission has determined that it has reason to believe that your committee has violated 2 U.S.C. §441b(a) by failing to settle its outstanding debts with the Richard A. Viguerie Co. ("RAVCO") in a manner that was not commercially reasonable (standards for commercial reasonableness are set forth in 11 CFR §114.10(c)). We have numbered this matter MUR 454 (77).

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Since the Commission is under a duty to investigate this matter expeditiously, please reply to the attached questions within 10 days of your receipt of this letter. These questions concern the "commercial reasonableness" of the circumstances under which you settled your debts with RAVCO.

If you have any questions, please contact Susan Propper, telephone no. 202/523-4529, the attorney assigned to this case.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have them so notify us in writing.

Enclosure

Sincerely yours,



William C. Oldaker  
General Counsel





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Richard A. Viguerie Co., Inc.  
7777 Leesburg Pike  
Falls Church, Virginia 22043

Re: MUR 454 (77)

Dear Sir:

This letter is to inform you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, particularly after examination of an amended report filed by the Livingston for Congress Committee ("LCC") on , 1977, the Federal Election Commission has determined that it has reason to believe that you violated 2 U.S.C. §441b(a), in that you settled a debt owed to your company by the LCC in a manner that was not commercially reasonable. (Standards for commercial reasonableness are set forth in 11 CFR §114.10(c).) We have numbered this matter MUR 454 (77).

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Since the Commission is under a duty to investigate this matter expeditiously, please respond to the attached questions within 10 days of your receipt of this letter. These questions concern the "commercial reasonableness" of the procedures used to settle the debt owed to you by the LCC.

If you have any questions, please contact Susan Propper, telephone no. 202/523-4529, the attorney assigned to this matter.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have them so notify us in writing.

Sincerely yours,

Enclosure



William C. Oldaker  
General Counsel



QUESTIONS REGARDING CUR 454 (77)

1. What were the terms of the contract for services between the Livingston for Congress Committee and the Viguerie Co., (RAVCO), entered into in July, 1977? Please include copies of all agreements, correspondence and memoranda relating to this matter.

2. Please list all companies with which RAVCO contracted for various services pursuant to its agreement with the Livingston Committee. Include copies of all agreements with these companies.

3. Was the Committee a party to any of the agreements referred to in Question 2 above? Did the Committee receive copies of or notice of the terms of any such agreements? If the answer to this question is yes, please describe the nature of the notice and the date on which it occurred.

4. Who represented the company in its dealings with the Committee during the contract negotiations in July, 1977? Who represented the Committee? Please submit names, addresses and representative capacities of all those involved.

5. In a Note to its Amended 30-day Post-General Election Report, the Livingston Committee states that a settlement of the outstanding debts to RAVCO was reached on September 13, 1977. Please supply the following information:

a) Who represented the Company in the settlement negotiations? Please submit names, addresses and representative capacity of all those involved.

b) Prior to September 13, 1977, were there any settlement contacts between the Committee and your Company (e.g., meetings, discussions, telephone conversations, exchanges of letters)? If the answer to this question is yes, please supply the dates of all such contacts. Please also supply copies of any written records made with respect to these contacts, such as memoranda or letters.

c) Please supply copies of all documents which embody the settlement arrived at between the Committee and your Company on September 13, 1977.

6. In the Note to its Amended report referred to in Question 5 above, the Livingston Committee also states that your Company will raise the balance of the debt set forth in the September 13, 1977 settlement and that this money "will be handled by the Committee." Insofar as not answered by Question 5(c) above, please supply the following information:

a) Describe how the money to retire the balance is being raised - e.g., through solicitation, etc. Please include copies of all mailers or other printed matter sent to prospective contributors.

b) What are the costs of this fundraising?

c) Will the costs referred to in (b) be incurred by RAVCO? If not, then by whom?

d) Who is being solicited for contributions?

e) How much money has been collected to retire the debt?

70010117



## RECOMMENDATION

We recommend finding reason to believe that neither the debtor nor the Committee has satisfied the reporting requirements of the Act, 2 U.S.C. Section 434 and 11 CFR 114.10. We also recommend finding reason to believe that the debts were not settled in a commercially reasonable fashion, and may accordingly be contributions within the meaning of 2 U.S.C. Section 441b(a).

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

October 31, 1977

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS *mwe*

SUBJECT: MUR 454 (77) - First General Counsel Report  
OBJECTION

The above-mentioned document was transmitted to the  
Commissioners on October 31, 1977 at 9:00.

Commissioner Springer submitted an objection to the report  
at 11:10, October 31.

MUR 454 (77) has been placed on the Agenda for November <sup>11</sup>/<sub>2</sub>, 1977.





October 28, 1977

MEMORANDUM TO: Sarge Emmons  
FROM: Elissa T. Carr  
SUBJECT: MUR 454 (77)

Please have the attached 7 Day Report on MUR 454  
distributed to the Commission on a 14 hour no-objection basis.  
Thank you.

79040110475





## FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

J. W. Parra  
Treasurer  
Livingston for Congress Committee  
Suite 410  
New Orleans, Louisiana 70114

Re: MUR 454 (77)

Dear Mr. Parra:

This letter is to notify you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the FEC has determined that it has reason to believe that a violation of 2 U.S.C. §441b(a) has occurred, in that you knowingly accepted contributions obtained in violation of 2 U.S.C. §441b (b) (4) (A) (i) and agreed to settle a debt without complying with the standards set by 11 CFR §114.10(c). We have numbered this matter MUR 454 (77).

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Since the Commission is under a duty to investigate this matter expeditiously, please reply to the attached questions within ten days of your receipt of this letter.

If you have any questions, please contact Susan Propper (telephone no. 202/523-4529), the attorney assigned to this case.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have them so notify us in writing.

Sincerely yours,

William C. Oldaker  
General Counsel



70040110476



QUESTIONS REGARDING MUR 454 (77)

1. What were the terms of the contract for services between the Livingston for Congress Committee and the Richard A. Viguerie Co., Inc., entered into in July, 1977? Please include copies of all agreements for such services between July, 1977 and the present as well as any correspondence or memoranda relating to this matter.
2. Who represented the committee in its dealings with the Viguerie Co., and at what stages of the negotiations? Please submit names, addresses and representative capacity of all those involved.
3. What were the terms under which the debt owed by the Committee to the Viguerie Co. was settled? Please submit copies of all agreements, letters, memoranda of telephone conversations and other material relating to this matter.
4. Has the Committee handled any funds raised by the Viguerie Co. under the terms of the settlement? Please state the amounts, date received and sources of all monies so handled.

7001011347



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J. W. Parra  
Treasurer  
Livingston for Congress Committee  
Suite 410  
New Orleans, Louisiana 70114

Re: MUR 454 (77)

Dear Mr. Parra:

This letter is to notify you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the FEC has determined that it has reason to believe that a violation of 2 U.S.C. §441b(a) has occurred, in that you knowingly accepted contributions obtained in violation of 2 U.S.C. §441b (b) (4) (A) (i) and agreed to settle a debt without complying with the standards set by 11 CFR §114.10(c). We have numbered this matter MUR 454 (77).

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Since the Commission is under a duty to investigate this matter expeditiously, please reply to the attached questions within ten days of your receipt of this letter.

If you have any questions, please contact Susan Propper (telephone no. 202/523-4529), the attorney assigned to this case.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a) (3) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have them so notify us in writing.

Sincerely yours,

William C. Oldaker  
General Counsel

SPPropper:cfb:10/24/77



79040110479

J. W. Parra  
Treasurer  
Livingston for Congress Committee  
Suite 410  
New Orleans, Louisiana 70114

Re: MUR 454 (77)

Dear Mr. Parra:

This letter is to notify you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the FEC has determined that it has reason to believe that a violation of 2 U.S.C. §441b(a) has occurred, in that you knowingly accepted contributions obtained in violation of 2 U.S.C. §441b (b) (4) (A) (i) and agreed to settle a debt without complying with the standards set by 11 CFR §114.10(c). We have numbered this matter MUR 454 (77).

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Since the Commission is under a duty to investigate this matter expeditiously, please reply to the attached questions within ten days of your receipt of this letter.

If you have any questions, please contact Susan Propper (telephone no. 202/523-4529), the attorney assigned to this case.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a) (3) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have them so notify us in writing.

Sincerely yours,

William C. Oldaker  
General Counsel

SPropper:cfb:10/14/77





## FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

Richard A. Viguerie Co., Inc.  
7777 Leesburg Pike  
Falls Church, Virginia 22043

Re: MUR 454 (77)

Dear Sir:

This letter is to inform you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the FEC has determined that it has reason to believe that violations of 2 U.S.C. §441b(b)(4)(A)(i) and 2 U.S.C. §441b(a) have occurred, in that you solicited contributions outside the limits prescribed by §441b(b)(4)(A)(i) and agreed to satisfy a debt owed by the Livingston for Congress Committee without complying with standards of commercial reasonableness (see 11 CFR §114.10(c)). We have numbered this matter MUR 454 (77).

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Since the Commission is under a duty to investigate this matter expeditiously, please reply to the attached questions within ten days of your receipt of this letter.

If you have any questions, please contact Susan Proper (telephone no. 202/523-4529), the attorney assigned to this case.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have them so notify us in writing.

Sincerely yours,

William C. Oldaker  
General Counsel





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1. What were the terms of the contract for services between the Livingston for Congress Committee and the Viguerie Co., entered into in July, 1977? Please include copies of all agreements, correspondence and memoranda relating to this matter.
2. Who represented the company in its dealing with the Livingston Committee, and at what stages of the negotiations? Please submit names, addresses and representative capacity of all those involved.
3. What were the terms under which the debt owed by the Committee to the Company was settled? Please submit copies of all agreements, correspondence, memoranda of telephone conversations and other material relating to this matter.
4. Who has been solicited for contributions by the Company to raise money for the Committee's debt? Please include the names, addresses, amounts contributed and occupations of those solicited.
5. How have the funds so solicited been handled?



79040110482

Richard A. Vignerie Co., Inc.  
7777 Leesburg Pike  
Falls Church, Virginia 22043

Re: MUR 454 (77)

Dear Sir:

This letter is to inform you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the FEC has determined that it has reason to believe that violations of 2 U.S.C. §441b(b)(4)(A)(i) and 2 U.S.C. §441b(a) have occurred, in that you solicited contributions outside the limits prescribed by §441b(b)(4)(A)(i) and agreed to satisfy a debt owed by the Livingstone for Congress Committee without complying with standards of commercial reasonableness (see 11 CFR §114.10(c)). We have numbered this matter MUR 454 (77).

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Since the Commission is under a duty to investigate this matter expeditiously, please reply to the attached questions within ten days of your receipt of this letter.

If you have any questions, please contact Susan Propper (telephone no. 202/523-4529), the attorney assigned to this case.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have them so notify us in writing.

Sincerely yours,

William C. Oldaker  
General Counsel

SPropper:cfb:10/14/77



79040110483  
Richard A. Vignerie Co., Inc.  
7777 Leesburg Pike  
Falls Church, Virginia 22043

Re: MUR 454 (77)

Dear Sir:

This letter is to inform you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the FEC has determined that it has reason to believe that violations of 2 U.S.C. §441b(b)(4)(A)(i) and 2 U.S.C. §441b(a) have occurred, in that you solicited contributions outside the limits prescribed by §441b(b)(4)(A)(i) and agreed to satisfy a debt owed by the Livingston for Congress Committee without complying with standards of commercial reasonableness (see 11 CFR §114.10(c)). We have numbered this matter MUR 454 (77).

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Since the Commission is under a duty to investigate this matter expeditiously, please reply to the attached questions within ten days of your receipt of this letter.

If you have any questions, please contact Susan Propper (telephone no. 202/523-4529), the attorney assigned to this case.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have them so notify us in writing.

Sincerely yours,

William C. Oldaker  
General Counsel

SPropper:cfb:10/14/77



FEDERAL ELECTION COMMISSION  
Washington, D. C.

FIRST GENERAL COUNSEL REPORT

MUR NO. 454 (77)

DATE AND TIME OF TRANSMITTAL  
BY OGC TO THE COMMISSION

DATE COMPLAINT RECEIVED  
BY OGC

STAFF MEMBER S. Propper

Complainant's Name: Internally generated by report from Disclosure Division

Respondent's Name: Livingston for Congress Committee; Richard A. Viguerie Co., Inc. (A Virginia Corporation)

Relevant Statute: 2 U.S.C. §441b(a); 2 U.S.C. §441b(b) (4) (A) (i); 11 CFR §114.10(c)

Internal Reports Checked: campaign reports Federal Agencies Checked none

SUMMARY OF ALLEGATION

That the Richard A. Viguerie Co., Inc. ("RAVCO"), a Virginia corporation, has solicited contributions from persons other than those prescribed by §441b(b) (4) (A) (i) and is therefore in violation of that section. Further, that RAVCO has made a corporate contribution in violation of §441b(a) by (cont.)  
SEE ATTACHMENT

PRELIMINARY LEGAL ANALYSIS

Based on information submitted in satisfaction of its disclosure requirements, the Livingston for Congress Committee ("LCC") entered into a contract with the Richard A. Viguerie Co., Inc. ("RAVCO") in late July, 1977, under which RAVCO was to provide consulting and computer services and to prepare various direct mailing campaigns. RAVCO in turn ordered much of the work from various firms.

On September 13, 1977, the parties reached an agreement, whereby the (cont.)  
SEE ATTACHMENT

RECOMMENDATION

It is recommended that the Commission find reason to believe that RAVCO may have violated 2 U.S.C. §441b(a) and 2 U.S.C. §441b(b) (4) (A) (i) and that the LCC may have violated 2 U.S.C. §441b(a). In addition, we recommend that the attached letters be sent to the respondents.

Date of Next Commission Review:



SUMMARY OF ALLEGATIONS (continued)

settling a debt owed it by the LCC in a manner not commercially reasonable under the standards of 11 CFR §114.10(c).

That the Livingston for Congress Committee has knowingly accepted or received corporate contributions in violation of §441b(a).

PRELIMINARY LEGAL ANALYSIS (continued)

LCC paid RAVCO \$14,000.00 and RAVCO "accepted the responsibility of raising sufficient funds on behalf of the Committee" to retire the \$45,373.65 left outstanding. (See attached reports for a list of total expenditures made by LCC to RAVCO.)

For RAVCO to obtain the balance owed by the LCC within the limits set by §441b(b)(4)(A)(i), the entire sum would have to be received from RAVCO's shareholders and executive and administrative personnel. Although there is no direct evidence showing that persons outside of those prescribed by the Act have been approached, in view of the large amount of money involved, the Commission has sufficient reason to believe that a violation of §441b(b)(4)(A)(i) has occurred.

Nor does RAVCO appear to have followed the guidelines set forth in 11 CFR §114.10(c) for settling the debt owed by the LCC in a commercially reasonable manner. The definition of "commercially reasonable" includes a requirement that the corporate creditor pursue its remedies in a manner similar in intensity to that employed by the corporation in pursuit of a non-political debtor. Here RAVCO has agreed to accept payment from the LCC in an amount roughly equal to one quarter of the total then due, and has further offered to assume the responsibility of securing the remainder



on the LCC's behalf. In addition, the LCC's report does indicate that negotiation and settlement with RAVCO proceeded without notification to the Commission, and that no settlement agreement was submitted to the Commission for review. As the circumstances of this settlement do not appear to meet the standards of commercial reasonableness, the Commission has reason to believe that RAVCO has made a corporate contribution to the LCC in violation of §441b(a).

7 0 0 1 0 1 0 4 3 5  
The LCC contends, in its report to the Commission, that it is no longer legally liable on its debt to RAVCO. The Committee apparently bases this conclusion on RAVCO's agreement to undertake fundraising to obtain the necessary monies. Since there is reason to believe RAVCO has violated §441b(a) by making a corporate contribution to LCC, and §441b(b)(4)(A)(i) in soliciting beyond the limits prescribed, there is reason to believe that the LCC, by accepting such contributions, is in violation of §441b(a), since the LCC has stated that the money raised would be handled by the Committee.



# Bob Livingston CONGRESS

## NOTE TO SPECIAL SCHEDULE "C"

In late July, 1977, the committee entered into a contract with the Richard A. Viguerie Company, Inc. (hereinafter called RAVCO) of 7777 Leesburg Pike, Falls Church, Virginia. The contract called for RAVCO to provide consulting and computer services and the preparation and mailing of various direct mailing campaigns. In turn, RAVCO ordered much of the work from various firms (most of which appear on the Special Schedule "C"). Invoices from RAVCO and the other firms were submitted directly to the Committee.

However, in late August, 1977, a genuine and honest dispute arose between the Committee and RAVCO over the total amount due under the terms of the contract. It was the Committee's position that irrespective of amounts shown on various invoices, the contract provided limits as to the total obligation of the Committee.

A settlement was reached, and on September 13, 1977, the Committee paid RAVCO \$14,000.00, and RAVCO accepted the responsibility of raising sufficient funds on behalf of the Committee to retire the charges shown on Special Schedule "C".

However, due to the unique circumstances surrounding these transactions, the Committee believes that it is no longer legally liable for the obligations disclosed on Special Schedule "C". For that reason, the amounts contained therein are not included in the total shown on page 2, line 27, of this report. Rather, we deem it best to submit the Special Schedule and this note in a good faith attempt to comply with the disclosure requirements of the election law.

For future references note that the money to be raised to retire these charges will be handled by the Committee. The receipts and disbursements will be reflected on our reports, and we will continue to file a Special Schedule "C" until the various charges are paid.

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.



SPECIAL

Module C

1976  
Federal Election Commission  
1100 ... Street, N.W.  
Washington, D.C. 20543

# D. Debts and Obligations for Line Numbers 26 and/or 27 of FEC Form 3

(See instructions on back)

Page 1 of 1 for

LINE NUMBER

(Use separate schedule(s) for each numbered line)

Name of Candidate or Committee in full ID# 062715 Livingston for Congress Committee		Amount of Original Debt, Contract, Agree- ment, or Promise	Cumulative Payment To Date	Outstanding Balance at Close of The Period
Full Name, mailing address and ZIP code, and nature of obligation Metro Printing & Mailing Service 8446 Lee Hwy. Fairfax, Va. 22030 current-printing&mailing services	Date (month, day, year) 7/27/77 to 8/31/77	\$ 6,616.74	\$ 3,545.83	\$ 3,070.91
Full Name, mailing address and ZIP code, and nature of obligation Prep, Inc. 2611 Shirlington Rd. Arlington, V a. 22206 current-bulk mail preparation	Date (month, day, year) 7/27/77 to 8/31/77	\$ 13,257.77	\$ 5,939.81	\$ 7,317.96
Full Name, mailing address and ZIP code, and nature of obligation McCollum Press 11730 Parklawn Dr. Rockville, Md. 20852 current - printing services	Date (month, day, year) 7/29/77 8/8/77	\$ 2,324.70 1,553.72	\$ -0-	\$ 3,878.42
Full Name, mailing address and ZIP code, and nature of obligation Smith Lithograph Corp 1029 E. Gude Dr. Rockville, Md. 20850 current - printing services	Date (month, day, year) 8/12/77	\$ 530.67	\$ -0-	\$ 530.67
Full Name, mailing address and ZIP code, and nature of obligation Advanced Business & Computer Supplies & Services, Inc. 4620 Lee Hwy, Arlington, Va. 22207 current - computer services	Date (month, day, year) 8/30/77 & 8/31/77	\$ 530.01	\$ -0-	\$ 530.01
Full Name, mailing address and ZIP code, and nature of obligation Diversified Printing Services 2935 Prosperity Avenue Fairfax, Va. 22030 current - computer forms	Date (month, day, year) 8/15/77	\$ 1,132.56	\$ -0-	\$ 1,132.56
Full Name, mailing address and ZIP code, and nature of obligation Diversified Mailing Services, Inc. 7777 Leesbury Pike Falls Church, Va. 22043 current - mailing services	Date (month, day, year) 8/2/77 to 9/1/77	\$ 11,215.47	\$ 4,235.08	\$ 6,980.39
Full Name, mailing address and ZIP code, and nature of obligation Richard A. Viguerie Co., Inc. 7777 Leesburg Pike Falls Church, Va. 22043 current - consulting, computer & mailing services	Date (month, day, year) 7/31/77 to 8/31/77	\$ 35,932.74	\$ 14,000.00	\$ 21,932.74
Subtotal this period this page (optional)		\$ 73,091.38	\$ 27,720.72	\$ 45,370.65
Total this period (last page this line number only)		\$	\$	\$
Carry outstanding balance only, to appropriate line of summary				





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

J. W. Parra  
Treasurer  
Livingston for Congress Committee  
Suite 410  
New Orleans, Louisiana 70114

Re: MUR 454 (77)

Dear Mr. Parra:

7 9 0 4 0 1 1 0 4 9 9  
This letter is to notify you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the FEC has determined that it has reason to believe that a violation of 2 U.S.C. §441b(a) has occurred, in that you knowingly accepted contributions obtained in violation of 2 U.S.C. §441b (b)(4)(A)(i) and agreed to settle a debt without complying with the standards set by 11 CFR §114.10(c). We have numbered this matter MUR 454 (77).

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Since the Commission is under a duty to investigate this matter expeditiously, please reply to the attached questions within ten days of your receipt of this letter.

If you have any questions, please contact Susan Propper (telephone no. 202/523-4529), the attorney assigned to this case.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have them so notify us in writing.

Sincerely yours,

William C. Oldaker  
General Counsel





QUESTIONS REGARDING MUR 454 (77)

1. What were the terms of the contract for services between the Livingston for Congress Committee and the Richard A. Viguerie Co., Inc., entered into in July, 1977? Please include copies of all agreements for such services between July, 1977 and the present as well as any correspondence or memoranda relating to this matter.
2. Who represented the committee in its dealings with the Viguerie Co., and at what stages of the negotiations? Please submit names, addresses and representative capacity of all those involved.
3. What were the terms under which the debt owed by the Committee to the Viguerie Co. was settled? Please submit copies of all agreements, letters, memoranda of telephone conversations and other material relating to this matter.
4. Has the Committee handled any funds raised by the Viguerie Co. under the terms of the settlement? Please state the amounts, date received and sources of all monies so handled.

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

Richard A. Viguerie Co., Inc.  
7777 Leesburg Pike  
Falls Church, Virginia 22043

Re: MUR 454 (77)

Dear Sir:

This letter is to inform you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the FEC has determined that it has reason to believe that violations of 2 U.S.C. §441b(b)(4)(A)(i) and 2 U.S.C. §441b(a) have occurred, in that you solicited contributions outside the limits prescribed by §441b(b)(4)(A)(i) and agreed to satisfy a debt owed by the Livingston for Congress Committee without complying with standards of commercial reasonableness (see 11 CFR §114.10(c)). We have numbered this matter MUR 454 (77).

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Since the Commission is under a duty to investigate this matter expeditiously, please reply to the attached questions within ten days of your receipt of this letter.

If you have any questions, please contact Susan Propper (telephone no. 202/523-4529), the attorney assigned to this case.

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Sincerely yours,

William C. Oldaker  
General Counsel





QUESTIONS REGARDING MUR 454 (77)

1. What were the terms of the contract for services between the Livingston for Congress Committee and the Viguerie Co., entered into in July, 1977? Please include copies of all agreements, correspondence and memoranda relating to this matter.
2. Who represented the company in its dealing with the Livingston Committee, and at what stages of the negotiations? Please submit names, addresses and representative capacity of all those involved.
3. What were the terms under which the debt owed by the Committee to the Company was settled? Please submit copies of all agreements, correspondence, memoranda of telephone conversations and other material relating to this matter.
4. Who has been solicited for contributions by the Company to raise money for the Committee's debt? Please include the names, addresses, amounts contributed and occupations of those solicited.
5. How have the funds so solicited been handled?

70040117400



SPECIAL

Schedule C

# Debits and Obligations for Line Numbers 26 and/or 27 of FEC Form 3

Page 1 of 1 for

LINE NUMBER

(Use separate schedule(s) for each numbered line)

(See instructions on back)

Name of Candidate or Committee in full ID# 062715 Livingston for Congress Committee		Amount of Original Debt, Contract, Agree- ment, or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Full Name, mailing address and ZIP code, and nature of obligation Metro Printing & Mailing Service 8446 Lee Hwy. Fairfax, Va. 22030 current-printing&mailing services	Date (month, day, year) 7/27/77 to 8/31/77	\$ 6,616.74	\$ 3,545.83	\$ 3,070.91
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Full Name, mailing address and ZIP code, and nature of obligation Smith Lithograph Corp 1029 E. Gude Dr. Rockville, Md. 20850 current - printing services	Date (month, day, year) 8/12/77	\$ 530.67	\$ -0-	\$ 530.67
Full Name, mailing address and ZIP code, and nature of obligation Advanced Business & Computer Supplies & Services, Inc. 4620 Lee Hwy, Arlington, Va. 22207 current - computer services	Date (month, day, year) 8/30/77 & 8/31/77	\$ 530.01	\$ -0-	\$ 530.01
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Full Name, mailing address and ZIP code, and nature of obligation Diversified Mailing Services, Inc. 7777 Leesbury Pike Falls Church, Va. 22043 current - mailing services	Date (month, day, year) 8/2/77 to 9/1/77	\$ 11,215.47	\$ 4,235.08	\$ 6,980.39
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Total this period (last page this line number only)		\$	\$	\$
Carry outstanding balance only, to appropriate line of summary				



# Bob Livingston CONGRESS

## NOTE TO SPECIAL SCHEDULE "C"

In late July, 1977, the committee entered into a contract with the Richard A. Viguerie Company, Inc. (hereinafter called RAVCO) of 7777 Leesbur, Pike, Falls Church, Virginia. The contract called for RAVCO to provide consulting and computer services and the preparation and mailing of various direct mailing campaigns. In turn, RAVCO ordered much of the work from various firms (most of which appear on the Special Schedule "C"). Invoices from RAVCO and the other firms were submitted directly to the Committee.

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However, due to the unique circumstances surrounding these transactions, the Committee believes that it is no longer legally liable for the obligations disclosed on Special Schedule "C". For that reason, the amounts contained therein are not included in the total shown on page 2, line 27, of this report. Rather, we deem it best to submit the Special Schedule and this note in a good faith attempt to comply with the disclosure requirements of the election law.

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A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.

79040110494





FEDERAL ELECTION COMMISSION

1125 K STREET NW  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 454

Date Filmed 3/15/79 Camera No. --- 2

Cameraman BPC