



FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 624

Date Filmed 5/15/80 Camera No. --- 2

Cameraman BPC

9
5
2
5
8
1
0
0
0

FEDERAL ELECTION COMMISSION

conciliation attempts - including proposed
conciliation agreements, correspondence, return
conciliation reports and internal memorandums
concerning the conciliation process

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 checked="" 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 type="checkbox"/> (5) Internal Documents | |

Signed

Robert Buzin

date

4-3-80

80040185261

PS Form 3811, April 1978

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
Show to whom and date delivered _____
Show to whom, date, and address of delivery _____
RESTRICTED DELIVERY _____
Show to whom and date delivered _____
RESTRICTED DELIVERY _____
Show to whom, date, and address of delivery _____
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
C. Arlen Beam

3. ARTICLE DESCRIPTION:
REGISTERED NO. _____ CERTIFIED NO. 744368 INSURED NO. _____
(Always obtain signature of addressee or agent)

I have received the article described above:
SIGNATURE ☐ Addressee ☐ Authorized agent
P. Delgado

DATE OF DELIVERY
4-7-82

4. ADDRESS (Complete only if requested)

5. REASON FOR DELIVERY BECAUSE _____

CLERK'S INITIALS _____

U.S. POSTAL SERVICE

MUR 624 (Bogin)

RECEIVED

6cc #1119

APR 29 AM 11:40

KNUDSEN, BERKHEIMER, BEAM, RICHARDSON & ENDACOTT

RICHARD A. KNUDSEN
RICHARD L. BERKHEIMER
C. ARLEN BEAM
WALLACE A. RICHARDSON
RICHARD R. ENDACOTT
ROBERT L. ANDERSON
ROBERT J. ROUTH
JAMES A. SNOWDEN
KENNETH C. STEPHAN
GARY L. DOLAN
LARRY L. RUTH
RODNEY M. CONFLER
RICHARD C. REIER
ROBERT A. CANNON
CRAIG L. WILLIAMS
PAULA J. METCALF
JAMES R. SAY

ATTORNEYS AT LAW
1000 NBC CENTER
LINCOLN, NEBRASKA 68508
TELEPHONE (402) 475-7011

GUY C. CHAMBERS
1919-1974

April 22, 1980

Mr. Charles N. Steele
General Counsel
Federal Election Commission
1325 "K" Street, N.W.
Washington, D.C. 20463

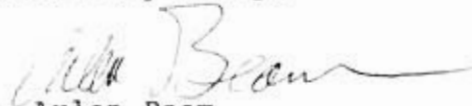
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

RE: MUR 624

Dear Mr. Steele:

Please refer to your letter of April 3, 1980. The only additional information which we would wish to become a part of the public record is my cover letter of March 17, 1980, to Mr. Robert Bogin of your staff. A copy of this letter is attached for your information. We do not give written consent for any other part of the file to be made public.

Yours very truly,


C. Arlen Beam
For the Firm

CAB:glp

Enclosure

807773

06:1d 82214 01

KNUDSEN, BERKHEIMER, BEAM, RICHARDSON & ENDACOTT

RICHARD A. KNUDSEN
RICHARD L. BERKHEIMER
C. ARLEN BEAM
WALLACE A. RICHARDSON
RICHARD R. ENDACOTT
ROBERT L. ANDERSON
ROBERT J. ROUTH
JAMES A. SNOWDEN
KENNETH C. STEPHAN
GARY L. DOLAN
LARRY L. RUTH
RODNEY M. CONFER
RICHARD C. REIER
ROBERT A. CANNON
CRAIG L. WILLIAMS
PAULA J. WETCALF
JAMES K. SAY

ATTORNEYS AT LAW
1000 NBC CENTER
LINCOLN, NEBRASKA 68508
TELEPHONE (402) 478-7011

GUY C. CHAMBERS
1918-1974

March 17, 1980

Mr. Robert Bogin
Attorney at Law
Federal Election Commission
1325 "K" Street, N.W.
Washington, D.C. 20463

RE: MUR 624

Dear Mr. Bogin:


Enclosed you will find the signed copy of the Conciliation Agreement in the above matter. You have previously received a check payable to the United States Treasury in the amount of \$1,000.

It is my understanding that the Federal Election Commission has approved this Conciliation Agreement and has only to direct the General Counsel to affix his signature. It is my further understanding that the findings of fact set forth in paragraph 4 are the findings of fact of the Commission. We have agreed that the fact that the Nebraska Republican Party does not contest the Commission's findings does not denote that it agrees with them. In fact, as we have discussed several times on the telephone, there is a continuing position on the part of the Nebraska Republican Party that it does not agree with a considerable number of the findings of the Commission.

As we have discussed on numerous previous occasions, I continue to disagree with the legal conclusions of the Federal Election Commission in this matter. Therefore, it is my hope that the Agreement is not misinterpreted in any way with regard to the nature of the contentions and the identity of the party that harbored such contentions.

You have agreed to notify me by telephone when the Agreement is signed by the General Counsel. We also would appreciate a fully signed copy for our files. A signed duplicate is enclosed for the signature of the General Counsel which copy can be returned to this office for the benefit of our client.

Yours very truly,


C. Arlen Beam
For the Firm

CAB:glp
Enclosures

604473264

KNUDSEN, BERKHEIMER, BEAM,
RICHARDSON & ENDACOTT

ATTORNEYS AT LAW

1880

LINCOLN, NEBRASKA 68508



Mr. Charles N. Steele
General Counsel
Federal Election Commission
1325 "K" Street, N.W.
Washington, D.C. 20463

CERTIFIED

APR 10 1978
781044

MAIL



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 3, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. C. Arlen Beam
Knudsen, Berkheimer, Beam,
Richardson and Endacott
1000 NBC Center
Lincoln, Nebraska 68508

Re: MUR 624

Dear Mr. Beam:

On April 2, 1980, the Commission accepted the conciliation agreement signed by Mr. Ralph Knobel and a civil penalty in settlement of this matter. Accordingly, the file is to be closed, and it will become part of the public record within thirty days. However, 2 U.S.C. § 437 g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

Sincerely,

A handwritten signature in dark ink, appearing to read "Charles N. Steele", is written over the word "Sincerely,".

Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

0010185265

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. C. Arlen Beam
Knudsen, Berkheimer, Beam,
Richardson and Endacott
1000 NBC Center
Lincoln, Nebraska 68508

Re: MUR 624

Dear Mr. Beam:

On , 1980, the Commission accepted the conciliation agreement signed by Mr. Ralph Knobel and a civil penalty in settlement of this matter. Accordingly, the file is to be closed, and it will become part of the public record within thirty days. However, 2 U.S.C. § 437 g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

RB
4/2/80

00040185266

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
The Nebraska Republican Party) MUR 624

CONCILIATION AGREEMENT

85267
This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities, and, after an investigation, the Commission having found reasonable cause to believe the Nebraska Republican State Central Committee violated 2 U.S.C. § 441b with respect to the following: The Nebraska Republican State Leadership Account accepted some corporate contributions; the Operating Account of the Nebraska Republican State Central Committee accepted corporate contributions and transfers from the State Central Committee's Campaign Account and the Leadership Account; and the Nebraska Republican Federal Campaign Committee accepted some transfers from the State Central Committee's Operating Account and Leadership Account.

The Commission also found reasonable cause to believe that the Nebraska Republican State Central Committee violated 2 U.S.C. §§ 433 and 434 in that: the State Central Committee failed to register and report certain of the receipts and expenditures of its Operating Account and failed to register and report any of the receipts and expenditures of the Leadership Account.

WHEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

I. The Federal Election Commission has jurisdiction over the Respondent and the subject matter in this case.

II. Respondent has responded to the allegations of the Commission and has attempted to demonstrate that no action should be taken. However, a dispute continues to exist which has led to this Conciliation Agreement.

III. Respondent enters voluntarily into this Agreement with the Commission.

IV. Respondent enters into this conciliation agreement in order to resolve this matter without formal litigation, and does not contest the Commission's findings below. The pertinent facts as found by the Commission in this matter are as follows:

A. The Nebraska Republican State Central Committee (NRSCC) registered as a political committee and reported its activities, which essentially entailed the receipts and expenditures of its operating account, until a termination report was filed on June 18, 1976. (Pursuant to Federal law, a Federal Committee, the Nebraska Republican Federal Campaign Committee, was registered on May 27, 1976.) The State Central Committee established a Leadership Account in September of 1976. During the calendar years 1976, 1977 and 1978, both the Operating Account and the Leadership Account transferred

in excess of \$1,000 to registered Federal committees. Therefore, during these periods the Operating Account and the Leadership Account qualified as political committees under 2 U.S.C. § 431(d) and were required to register and report with this Commission. The Operating Account reported to the Commission through June 18, 1976, however, it did not report its activities after creation of the Federal committee in 1976. The Leadership Account did not register and report with the Commission during 1976, 1977 and 1978. Failure to register and report the activity of Federal political committees or accounts is a violation of 2 U.S.C. §§ 433 and 434.

B. The Leadership Account of the Nebraska Republican State Central Committee was established for the purpose of receiving contributions of a specified size. These contributions would be transferred, at least in part, to the Nebraska Republican Federal Campaign Committee, the Republican National Committee, the State Central Committee's Operating Account and the Campaign Account (an account opened to receive individual and corporate funds for the support of state and local candidates as permitted by Nebraska law). Three corporate contributions totaling \$7,050 were received over three years by the Leadership Account but with the understanding (which understanding the Respondent carried out) that none of the corporate monies would, directly or indirectly, be transferred to any Federal account. However, the Commission believes that 2 U.S.C. § 441b prohibits an account such as the Leadership Account which transfers

money to support Federal candidates and committees from accepting corporate monies and commingling them with funds which are eventually used in connection with Federal elections. Thus the Commission has found that the NRSCC's Leadership Account violated 2 U.S.C. § 441b by accepting the contributions from a corporation.

8 5 2 7 0
0 0 4 0 1
C. From 1976 through 1978, the NRSCC's Operating Account accepted transfers totaling \$8,985.76 from the NRSCC's Campaign Account, an account which contained individual contributions commingled with corporate contributions. The Operating Account also accepted transfers from the Leadership Account which collected funds permissible for use in connection with Federal elections as well as some corporate contributions. Furthermore, 12 corporate contributions totaling \$1,420 were inadvertently deposited into the Operating Account in 1976, it having been the intention of the NRSCC that all corporate contributions be placed in the Campaign Account. The Operating Account's inadvertent acceptance of corporate contributions either directly or indirectly, via transfers, is a violation of 2 U.S.C. § 441b since this account made contributions in connection with Federal elections prior to being terminated as a Federal account.

D. The Nebraska Republican Federal Campaign Committee, a registered political committee, accepted between July, 1976 and February, 1979, approximately \$34,780 in transfers from the Operating Account and approximately \$22,495 from the Leadership Account. (\$2,000 of the transfers from the Leadership Account were transferred

after the Commission found reason to believe that such transfers violate 2 U.S.C. § 441b.) It is understood that the Operating Account and the Leadership Account received individual (i.e. non-corporate) contributions in excess of the amounts transferred to the Federal Campaign Committee. However, the Commission has found that the acceptance of transfers consisting of individual contributions commingled with corporate funds constitutes indirect acceptance of corporate contributions in violation of 2 U.S.C. § 441b.

WHEREFORE, Respondent agrees that:

1. Under 2 U.S.C. § 431(d), a political committee means any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000. The Commission contends that for the calendar years 1976, 1977 and 1978 the Nebraska Republican State Central Committee qualified as a political committee by virtue of the activity of its Operating Account and the Leadership account, both of which transferred in excess of \$1,000 to registered Federal committees in these years. Under 2 U.S.C. §§ 433 and 434, political committees must register and make reports of receipts and expenditures to the Commission. The Commission contends that the failure of the State Central Committee to remain a registered political committee after June 18, 1976 through 1978 and to report the activity of the Operating Account

after this date through 1978 and the activity of the Leadership Account during 1976, 1977 and 1978 is a violation of 2 U.S.C. §§ 433 and 434.

2. 2 U.S.C. § 441b provides that no candidate, political committee, or other person may accept or receive contributions from corporations or labor organizations. For purposes of this section, contributions or expenditures include any indirect payment to any candidate, campaign committee or political party or organization. The Commission contends that the NRSCC violated 2 U.S.C. § 441b in that its Operating Account and Leadership Account accepted corporate contributions, and in the case of the Operating Account, transfers from an account which accepted corporate contributions.

3. The Commission contends that the Nebraska Republican Federal Campaign Committee, also a political committee under the Act during 1976, 1977 and 1978, violated 2 U.S.C. § 441b by accepting transfers from the Operating Account and the Leadership Account, both of which accepted corporate contributions either directly or indirectly.

4. The Nebraska Republican State Central Committee shall make a one time report of all monies received from contributors into the Operating Account, Leadership Account, and the Federal Campaign Committee in 1976, 1977, 1978 through February 13, 1979, insofar as such activity has not been heretofore reported in either state or federal reports. The details of such reports shall not exceed the requirements for such reports now provided by Federal law. The Respondent

will also furnish to the Commission copies of its reports to the Nebraska Political Accountability and Disclosure Commission which show activity of the Operating Account and Leadership Account that has not been heretofore reported to this Commission.

5. The NRSCC will either register and report, as Federal accounts, the Operating Account and the Leadership Account, or will make no further transfers to the Nebraska Republican Federal Campaign Committee from these accounts. The Nebraska Republican Federal Campaign Committee also will not accept transfers from these or any other accounts or committees which accept and commingle individual and corporate contributions.

6. The Nebraska Republican State Central Committee will pay a civil penalty of \$1,000 to the United States Treasury pursuant to 2 U.S.C. § 437g(a)(6)(B).

GENERAL CONDITIONS:

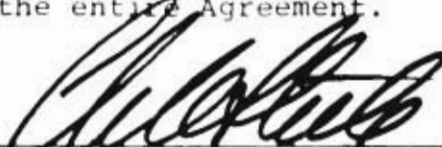
I. The Commission, upon request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matter at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.

II. It is further agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and that this Agreement, unless, violated, shall constitute a complete bar

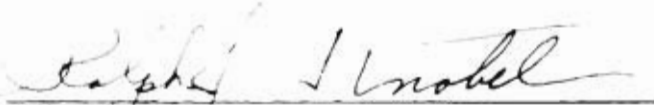
to any further action by the Commission with regard to the matters set forth in this Agreement.

III. It is mutually agreed that this Agreement will become effective on the date that all parties hereto have executed the same and the Commission has approved the entire Agreement.

2 April 1980
Date

By 
Charles N. Steele
General Counsel
Federal Election Commission

March 14, 1980
Date

By 
Ralph Knobel
Chairman
Nebraska Republican State
Central Committee

0010185274

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

The Nebraska Republican Party

)
)
)

MUR 624

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on April 2, 1980, the Commission decided by a vote of 5-0 to take the following actions regarding MUR 624:

1. Approve the conciliation agreement as attached to the Memorandum to the Commission dated March 28, 1980.
2. Close the file.
3. Approve and send the letter of notification as attached to the above-named memorandum.

Voting for this determination were Commissioners Friedersdorf, Harris, McGarry, Reiche, and Tiernan.

Attest:

4/2/80

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Received in Office of the Commission Secretary: 3-28-80, 1:45
Circulated on 48 hour vote basis: 3-31-80, 11:00

0001785275

March 28, 1980

MEMORANDUM TO: Marjorie W. Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 624

Please have the attached Memo distributed to the
Commission on a 48 hour tally basis. Thank you.

00040185276



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

80 MAR 28 P 1: 45

March 28, 1980

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele
General Counsel *CS*

SUBJECT: Conciliation Agreement - MUR 624

Attached is a conciliation agreement signed by respondent as approved by the Commission on January 18, 1980.

The Commission should authorize the General Counsel to sign the conciliation agreement. We are already in receipt of respondent's check for \$1,000 in payment of the civil penalty.

Recommendation

1. Approve the conciliation agreement.
2. Close the file.
3. Approve and send the attached letter of notification.

Attachments

Conciliation Agreement - respondent
Letter to respondent

00118:277

$$0.0047 + 8 = 278$$

MUR 624

 α

C

The Commission also found reasonable cause to believe that the Nebraska Republican State Central Committee violated 2 U.S.C. §§ 433 and 434 in that: the State Central Committee failed to register and report certain of the receipts and expenditures of its Operating Account and failed to register and report any of the receipts and expenditures of the Leadership Account.

WHEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

I. The Federal Election Commission has jurisdiction over the Respondent and the subject matter in this case.

II. Respondent has responded to the allegations of the Commission and has attempted to demonstrate that no action should be taken. However, a dispute continues to exist which has led to this Conciliation Agreement.

III. Respondent enters voluntarily into this Agreement with the Commission.

IV. Respondent enters into this conciliation agreement in order to resolve this matter without formal litigation, and does not contest the Commission's findings below. The pertinent facts as found by the Commission in this matter are as follows:

A. The Nebraska Republican State Central Committee (NRSCC) registered as a political committee and reported its activities, which essentially entailed the receipts and expenditures of its operating account, until a termination report was filed on June 18, 1976. (Pursuant to Federal law, a Federal Committee, the Nebraska Republican Federal Campaign Committee, was registered on May 27, 1976.) The State Central Committee established a Leadership Account in September of 1976. During the calendar years 1976, 1977 and 1978, both the Operating Account and the Leadership Account transferred

in excess of \$1,000 to registered Federal committees. Therefore, during these periods the Operating Account and the Leadership Account qualified as political committees under 2 U.S.C. § 431(d) and were required to register and report with this Commission. The Operating Account reported to the Commission through June 18, 1976, however, it did not report its activities after creation of the Federal committee in 1976. The Leadership Account did not register and report with the Commission during 1976, 1977 and 1978. Failure to register and report the activity of Federal political committees or accounts is a violation of 2 U.S.C. §§ 433 and 434.

B. The Leadership Account of the Nebraska Republican State Central Committee was established for the purpose of receiving contributions of a specified size. These contributions would be transferred, at least in part, to the Nebraska Republican Federal Campaign Committee, the Republican National Committee, the State Central Committee's Operating Account and the Campaign Account (an account opened to receive individual and corporate funds for the support of state and local candidates as permitted by Nebraska law). Three corporate contributions totaling \$7,050 were received over three years by the Leadership Account but with the understanding (which understanding the Respondent carried out) that none of the corporate monies would, directly or indirectly, be transferred to any Federal account. However, the Commission believes that 2 U.S.C. § 441b prohibits an account such as the Leadership Account which transfers

money to support Federal candidates and committees from accepting corporate monies and commingling them with funds which are eventually used in connection with Federal elections. Thus the Commission has found that the NRSCC's Leadership Account violated 2 U.S.C. § 441b by accepting the contributions from a corporation.

C. From 1976 through 1978, the NRSCC's Operating Account accepted transfers totaling \$8,985.76 from the NRSCC's Campaign Account, an account which contained individual contributions commingled with corporate contributions. The Operating Account also accepted transfers from the Leadership Account which collected funds permissible for use in connection with Federal elections as well as some corporate contributions. Furthermore, 12 corporate contributions totaling \$1,420 were inadvertently deposited into the Operating Account in 1976, it having been the intention of the NRSCC that all corporate contributions be placed in the Campaign Account. The Operating Account's inadvertent acceptance of corporate contributions either directly or indirectly, via transfers, is a violation of 2 U.S.C. § 441b since this account made contributions in connection with Federal elections prior to being terminated as a Federal account.

D. The Nebraska Republican Federal Campaign Committee, a registered political committee, accepted between July, 1976 and February, 1979, approximately \$34,780 in transfers from the Operating Account and approximately \$22,495 from the Leadership Account. (\$2,000 of the transfers from the Leadership Account were transferred

after the Commission found reason to believe that such transfers violate 2 U.S.C. § 441b.) It is understood that the Operating Account and the Leadership Account received individual (i.e. non-corporate) contributions in excess of the amounts transferred to the Federal Campaign Committee. However, the Commission has found that the acceptance of transfers consisting of individual contributions commingled with corporate funds constitutes indirect acceptance of corporate contributions in violation of 2 U.S.C. § 441b.

WHEREFORE, Respondent agrees that:

1. Under 2 U.S.C. § 431(d), a political committee means any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000. The Commission contends that for the calendar years 1976, 1977 and 1978 the Nebraska Republican State Central Committee qualified as a political committee by virtue of the activity of its Operating Account and the Leadership account, both of which transferred in excess of \$1,000 to registered Federal committees in these years. Under 2 U.S.C. §§ 433 and 434, political committees must register and make reports of receipts and expenditures to the Commission. The Commission contends that the failure of the State Central Committee to remain a registered political committee after June 18, 1976 through 1978 and to report the activity of the Operating Account

after this date through 1978 and the activity of the Leadership Account during 1976, 1977 and 1978 is a violation of 2 U.S.C. §§ 433 and 434.

2. 2 U.S.C. § 441b provides that no candidate, political committee, or other person may accept or receive contributions from corporations or labor organizations. For purposes of this section, contributions or expenditures include any indirect payment to any candidate, campaign committee or political party or organization. The Commission contends that the NRSCC violated 2 U.S.C. § 441b in that its Operating Account and Leadership Account accepted corporate contributions, and in the case of the Operating Account, transfers from an account which accepted corporate contributions.

3. The Commission contends that the Nebraska Republican Federal Campaign Committee, also a political committee under the Act during 1976, 1977 and 1978, violated 2 U.S.C. § 441b by accepting transfers from the Operating Account and the Leadership Account, both of which accepted corporate contributions either directly or indirectly.

4. The Nebraska Republican State Central Committee shall make a one time report of all monies received from contributors into the Operating Account, Leadership Account, and the Federal Campaign Committee in 1976, 1977, 1978 through February 13, 1979, insofar as such activity has not been heretofore reported in either state or federal reports. The details of such reports shall not exceed the requirements for such reports now provided by Federal law. The Respondent

will also furnish to the Commission copies of its reports to the Nebraska Political Accountability and Disclosure Commission which show activity of the Operating Account and Leadership Account that has not been heretofore reported to this Commission.

5. The NRSCC will either register and report, as Federal accounts, the Operating Account and the Leadership Account, or will make no further transfers to the Nebraska Republican Federal Campaign Committee from these accounts. The Nebraska Republican Federal Campaign Committee also will not accept transfers from these or any other accounts or committees which accept and commingle individual and corporate contributions.

6. The Nebraska Republican State Central Committee will pay a civil penalty of \$1,000 to the United States Treasury pursuant to 2 U.S.C. § 437g(a)(6)(B).

GENERAL CONDITIONS:

I. The Commission, upon request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matter at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.

II. It is further agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and that this Agreement, unless, violated, shall constitute a complete bar

III. It is mutually agreed that this Agreement will become effective on the date that all parties hereto have executed the same and the Commission has approved the entire Agreement.

By

Date _____

By.

Ralph K. Nobel
Chairman
Nebraska Republican State
Central Committee



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. C. Arlen Beam
Knudsen, Berkheimer, Beam,
Richardson and Endacott
1000 NBC Center
Lincoln, Nebraska 68508

Re: MUR 624

Dear Mr. Beam:

On , 1980, the Commission accepted the conciliation agreement signed by Mr. Ralph Knobel and a civil penalty in settlement of this matter. Accordingly, the file is to be closed, and it will become part of the public record within thirty days. However, 2 U.S.C. § 437 g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement



FEDERAL ELECTION COMMISSION

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

February 13, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Lloyd Herbener,
Executive Director,
Nebraska Republican Party,
Nebraska State Republican Headquarters,
212 Anderson Building,
Lincoln, NE 68508

Re: MUR 624

Dear Mr. Herbener:

This letter is to notify you that on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, the Commission has found reason to believe that the Nebraska Republican Federal Campaign Committee of the Nebraska Republican Party has accepted the following transfers in 1978 in violation of 2 U.S.C. § 441b.

- 1) Nebraska Republican State Central Committee -
NBC Account - \$6,300.
- 2) Nebraska Republican State Central Committee -
General Account - \$500.
- 3) Nebraska Republican Leadership Committee -
\$1,400, \$1,000 and \$1,000.

These transfers were reported as received by the Nebraska Republican Federal Campaign Committee on its July and October reports for 1978.

Under 2 U.S.C. § 441b, political committees are prohibited from accepting contributions from corporations and labor organizations. For purposes of this Section, "contributions" include any direct or indirect payment... to any [Federal] candidate, campaign committee, political party or organization...". Therefore, the Nebraska Republican Federal Campaign Committee may not, pursuant to 2 U.S.C. § 441b, accept transfers from accounts which contain corporate or labor union funds.

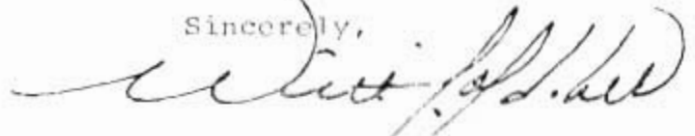
0043185287

Furthermore, under 11 CFR 102.6(b), the Nebraska Republican Federal Campaign Committee may not receive contributions other than contributions designated for the Federal committee or account, contributions received as a result of a solicitation which expressly states that the contribution will be used for Federal elections, or contributions from contributors who are informed that all contributions are subject to Federal limitations. Also the Federal Campaign Committee may not accept transfers from an account or committee established by a State committee, subordinate committee of a State committee, or another political committee except from a committee or account which maintains a separate Federal account or accepts only contributions which are permissible under the Act, and whose contributors are informed of the Federal limitations.

Upon making a determination that there is reason to believe that violations have occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action be taken. As part of this process, please describe and document the nature of the funds transferred from the "NBC" account to the Federal Campaign Committee. Please submit this and any other legal or factual materials you deem relevant to the Commission's investigation of this matter within 10 days of receipt of this matter.

This letter will remain confidential in accordance with 2 U.S.C. § 4374(a)(3) unless you state to the Commission, in writing, that you wish this investigation to be made public. The staff member from the Office of General Counsel assigned to this matter is Clare Lindsay, (202-523-4175). The auditors with knowledge of this matter are Thomas Nurthen and Ray Lisi, (202-523-4155).

Sincerely,



William C. Oldaker

0040185288

624 Lindsay

• **SENDER** Complete items 1, 2, and 3.
Add your address in the RETURN TO space on reverse.

1. The following service is requested (check one):

Show to whom and date delivered ☐ C

☒ Show to whom, date, and address of delivery ☐ C

RESTRICTED DELIVERY ☐ C

Show to whom and date delivered ☐ C

RESTRICTED DELIVERY ☐ C

Show to whom, date, and address of delivery \$

(CONSULT POSTMASTER FOR FEES)

ARTICLE ADDRESSED TO
Lloyd Herbert

ARTICLE DESCRIPTION
REGISTERED NO. *943996* INSURED NO.

(Always obtain signature of addressee or agent)

For use only. (Do not use unless authorized.)

QUANTITY ☐ Addressed ☐ Authorized agent ☐

DATE OF DELIVERY *Feb 18 - 1976*

POSTMARK
FEB
20

MAILED TO BE DELIVERED BY AIR ☐ P
CLERKS
INITIALS



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Lloyd Herbener,
Executive Director,
Nebraska Republican Party,
Nebraska State Republican Headquarters,
212 Anderson Building,
Lincoln, NE 68508

Re: MUR 624

Dear Mr. Herbener:

This letter is to notify you that on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, the Commission has found reason to believe that the Nebraska Republican Federal Campaign Committee of the Nebraska Republican Party has accepted the following transfers in 1978 in violation of 2 U.S.C. § 441b.

- 1) Nebraska Republican State Central Committee -
NBC Account - \$6,300.
- 2) Nebraska Republican State Central Committee -
General Account - \$500.
- 3) Nebraska Republican Leadership Committee -
\$1,400, \$1,000 and \$1,000.

These transfers were reported as received by the Nebraska Republican Federal Campaign Committee on its July and October reports for 1978.

Under 2 U.S.C. § 441b, political committees are prohibited from accepting contributions from corporations and labor organizations. For purposes of this Section, "contributions" include any direct or indirect payment... to any [Federal] candidate, campaign committee, political party or organization...". Therefore, the Nebraska Republican Federal Campaign Committee may not, pursuant to 2 U.S.C. § 441b, accept transfers from accounts which contain corporate or labor union funds.

0040185290

KAG 2/13/79

Furthermore, under 11 CFR 102.6(b), the Nebraska Republican Federal Campaign Committee may not receive contributions other than contributions designated for the Federal committee or account, contributions received as a result of a solicitation which expressly states that the contribution will be used for Federal elections, or contributions from contributors who are informed that all contributions are subject to Federal limitations. Also the Federal Campaign Committee may not accept transfers from an account or committee established by a State committee, subordinate committee of a State committee, or another political committee except from a committee or account which maintains a separate Federal account or accepts only contributions which are permissible under the Act, and whose contributors are informed of the Federal limitations.

Upon making a determination that there is reason to believe that violations have occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action be taken. As part of this process, please describe and document the nature of the funds transferred from the "NBC" account to the Federal Campaign Committee. Please submit this and any other legal or factual materials you deem relevant to the Commission's investigation of this matter within 10 days of receipt of this matter.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you state to the Commission, in writing, that you wish this investigation to be made public. The staff member from the Office of General Counsel assigned to this matter is Clare Lindsay, (202-523-4175). The auditors with knowledge of this matter are Thomas Nurthen and Ray Lisi, (202-523-4155).

Sincerely,

William C. Oldaker

0040185291

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
The Nebraska Republican)
Party)

MUR 624

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on February 13, 1979, the Commission determined by a vote of 4-0 to adopt the following recommendations, as set forth in the General Counsel's Report dated February 7, 1979, regarding the above-captioned matter:

1. Find reason to believe that the Nebraska Republican Party has violated 2 U.S.C. §441b in that the NRPCC is continuing to accept transfers from accounts of the NRSCC which contain corporate contributions.
2. Send the letter attached to the above-named report.

Voting for this determination were Commissioners Aikens, Tiernan, McGarry, and Thomson.

Attest:

2/13/79

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 2-8-79, 10:49
Circulated on 48 hour vote basis: 2-9-79, 11:00

0010185292

February 8, 1979

MEMORANDUM TO: Marge Emons
FROM: Elissa T. Gatt
SUBJECT: MUR 624

Please have the attached General Counsel's Report
on MUR 624 distributed to the Commission on a 48 hour
tally basis.

Thank you.

80040185293

BEFORE THE FEDERAL ELECTION COMMISSION

TON FEB 8 AIO: 49

The Nebraska Republican Party

MUR 624

Since the Commission's findings of reasonable cause to believe, it has come to our attention that the NRECC has continued to

accept transfers from the same accounts cited above, after the auditors advised the NRFCC, in the audit exit conference, that transfers from accounts which contained corporate funds would violate 2 U.S.C. § 441b and that the NRFCC could only accept transfers from accounts established pursuant to 11 CFR 102.6(a) (i) and(ii). 1/

5
9
2
5
8
1
0
0
0
The Audit Division has prepared a memo to this Office outlining certain activity of the NRFCC subsequent to the audit. (See attached memo.) This memo indicates that, on July 13, 1978, the NRFCC disclosed receiving transfers of \$500 and \$1,400 from the NRSCC's operating account and Leadership Committee, respectively. The NRFCC also reported receiving \$6,300 from the NRSCC's "NBC" account, an account which the auditors are not familiar with as it was not in existence prior to or during the audit. The NRSCC is not a registered, reporting committee and the activity of these accounts is not disclosed.

Furthermore, since the writing of the Audit Division's January 12, memo, the NRFCC has disclosed in its October 1978 quarterly report that it received two transfers of \$1,000 from the Leadership Committee during October 1978, which is almost two months after the Commission found reason to believe against the Nebraska Republican Party for intra-account transfers of this sort.

1/ 11 CFR 102.6 provides in part that each State Committee and subordinate committee of the State committee which intends to solicit receive, or make contributions or expenditures in excess of \$1,000 to, for, or on behalf of, any candidate for Federal office shall either establish a separate Federal campaign committee which shall register as a political committee, (The Federal campaign committee shall establish a segregated Federal account:), or establish a single committee with a single account to make contributions to all candidates but only if all contributions received are permissible under the Act. Such accounts and committees shall not receive transfers from an


RECOMMENDATION

The Office of General Counsel recommends that the Commission find reason to believe that the Nebraska Republican Party has violated 2 U.S.C. § 441b in that the NRFCC is continuing to accept transfers from accounts of the NRSCC which contain corporate contributions.

Send attached letter

Date

2/7/79


William C. Oldaker
General Counsel

1/ (cont.) account or committee established by a State committee, subordinate committee of a State committee, or another political committee of a State committee, or another political committee, except from a committee or account set out above.

Attachments

Letter to Lloyd Herbener
Memo from Bob Costa and Ray Lisi

0040185296



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20463

January 12, 1979

MEMORANDUM

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER
STAFF DIRECTOR

FROM: *RJC* BOB COSTA/RAY LISI *RJL*

SUBJECT: NEBRASKA REPUBLICAN FEDERAL CAMPAIGN
COMMITTEE (THE COMMITTEE) - MUR 624

Within MUR 624 the Office of General Counsel addresses intra-account and inter-committee transfers within the Nebraska Republican Party, specifically, accounts containing prohibited funds making transfers to the Nebraska Republican Federal Campaign Committee. On August 30, 1978, the Commission found reason to believe that the Nebraska Republican Party violated 2 U.S.C. 441b in that the Nebraska Republican Federal Campaign Committee accepted transfers from the Nebraska Republican State Central Committee's operating account and the Nebraska Republican State Leadership Committee and that both accounts (operating account and Leadership Committee) accepted corporate contributions.

A review of the Committee's disclosure reports filed subsequent to our audit revealed that on July 13, 1978, the Committee reported receiving the following additional transfers:

<u>Transferring Committee</u>	<u>Amount</u>
Nebraska Republican State Central Committee-(NBC Account)	\$6,300
Nebraska Republican State Central Committee-Gen.	500 <u>1/</u>
Nebraska Republican Leadership Committee	<u>1,400</u>
Total	<u>\$8,200</u>



1/ The year-to-date total reported for this Committee indicates that the contribution was made from the Nebraska Republican State Central Committee's Operating Account.

MEMORANDUM TO BILL OLDAKER

Page 2

It is not clear which account was used to transfer the \$6,300. The year-to-date total reported indicates that this is the first transfer received from this account.

During the exit conference, the Committee was advised that it could only receive transfers from accounts established pursuant to 102.6(a)(i) and (ii). The Committee was further advised that transfers from accounts containing prohibited funds would be in violation of 2 U.S.C. 441(b).

This matter is being referred to your office since the reports of the Nebraska Republican Federal Campaign Committee indicate the receipt of additional transfers from accounts containing prohibited funds, which are not addressed in MUR 624.

0042125293



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Lloyd Herbener,
Executive Director,
Nebraska Republican Party,
Nebraska State Republican Headquarters,
212 Anderson Building,
Lincoln, NE 68508

Re: MUR 624

Dear Mr. Herbener:

This letter is to notify you that on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, the Commission has found reason to believe that the Nebraska Republican Federal Campaign Committee of the Nebraska Republican Party has accepted the following transfers in 1978 in violation of 2 U.S.C. § 441b.

- 1) Nebraska Republican State Central Committee -
NBC Account - \$6,300.
- 2) Nebraska Republican State Central Committee -
General Account - \$500.
- 3) Nebraska Republican Leadership Committee -
\$1,400, \$1,000 and \$1,000.

These transfers were reported as received by the Nebraska Republican Federal Campaign Committee on its July and October reports for 1978.

Under 2 U.S.C. § 441b, political committees are prohibited from accepting contributions from corporations and labor organizations. For purposes of this Section, "contributions" include any direct or indirect payment... to any [Federal] candidate, campaign committee, political party or organization...". Therefore, the Nebraska Republican Federal Campaign Committee may not, pursuant to 2 U.S.C. § 441b, accept transfers from accounts which contain corporate or labor union funds.

0043185299

Furthermore, under 11 CFR 102.6(b), the Nebraska Republican Federal Campaign Committee may not receive contributions other than contributions designated for the Federal committee or account, contributions received as a result of a solicitation which expressly states that the contribution will be used for Federal elections, or contributions from contributors who are informed that all contributions are subject to Federal limitations. Also the Federal Campaign Committee may not accept transfers from an account or committee established by a State committee, subordinate committee of a State committee, or another political committee except from a committee or account which maintains a separate Federal account or accepts only contributions which are permissible under the Act, and whose contributors are informed of the Federal limitations.

Upon making a determination that there is reason to believe that violations have occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action be taken. As part of this process, please describe and document the nature of the funds transferred from the "NBC" account to the Federal Campaign Committee. Please submit this and any other legal or factual materials you deem relevant to the Commission's investigation of this matter within 10 days of receipt of this matter.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you state to the Commission, in writing, that you wish this investigation to be made public. The staff member from the Office of General Counsel assigned to this matter is Clare Lindsay, (202-523-4175). The auditors with knowledge of this matter are Thomas Nurthen and Ray Lisi, (202-523-4155).

Sincerely,

William C. Oldaker



FEDERAL ELECTION COMMISSION

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

January 30, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Clifton B. Batchelder
President
United States Checkbook Company
1201 South 16th Street
Omaha, Nebraska 68108

Re: MUR 624

Dear Mr. Batchelder:

On January 9, 1979, the Commission voted to take no further action regarding your corporation's contributions to the Nebraska Republican State Leadership Committee.

Thank you for your cooperation.

Sincerely,

1. The following service is requested (check one): <input checked="" type="checkbox"/> Show to whom and date delivered <input type="checkbox"/> Show to whom, date, and address of delivery <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom, date, and address of delivery <input type="checkbox"/> CONSULT POSTMASTER FOR FEES		2. ARTICLE ADDRESSED TO <i>Clifton B. Batchelder</i>	
3. ARTICLE DESCRIPTION REGISTERED NO. <i>9480</i>	CERTIFIED NO. <i>9480</i>	INSURED NO.	
(Always - obtain signature of addressee or agent)			
I have received this article described above SIGNATURE <i>Clifton B. Batchelder</i> <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent			
4. DATE OF DELIVERY	POSTMARK <i>JAN 30 1979</i>	CLERK'S INITIALS	
5. ADDRESS: Complete only if requested		6. UNABLE TO DELIVER BECAUSE	

RETURN RECEIPT REGISTERED INSURED AND CERTIFIED MAIL

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Clifton B. Batchelder
President
United States Checkbook Company
1201 South 16th Street
Omaha, Nebraska 68108

Re: MUR 624

Dear Mr. Batchelder:

On December , 1978, the Commission voted to take no further action regarding your corporation's contributions to the Nebraska Republican State Leadership Committee.

Thank you for your cooperation.

Sincerely,

William C. Oldaker
General Counsel

Lindsay:pak:12/8/78

el 11/11/78



FEDERAL ELECTION COMMISSION

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

January 30, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John Sieler, Chairman
Douglas County Republican Party
1306 South 78th Avenue
Omaha, Nebraska 68124

Re: MUR 624

Dear Mr. Sieler:

On January 9, 1979, the Commission voted to find no reasonable cause to believe that the Douglas County Republican Party accepted a contribution from a national bank in violation of 2 U.S.C. § 441b.

Thank you for your cooperation.

Sincerely,

William C. Oldaker
General Counsel

SENDER Complete items 1, 2, and 3 Add your address in the RETURN TO section		RETURN TO section	
1. The following service is requested (check one): <input checked="" type="checkbox"/> Show to whom and date delivered <input type="checkbox"/> Show to whom, date, and address of delivery <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom, date, and address of delivery <input type="checkbox"/> CONSULT POSTMASTER FOR FEES			
2. ARTICLE ADDRESSED TO John C. Sieler		3. ARTICLE DESCRIPTION REGISTERED NO. 913741 CERTIFIED NO. INSURED NO.	
(Always obtain signature of addressee or agent) I have received the article described above SIGNATURE _____ Addressee <input type="checkbox"/> Authorized agent <input type="checkbox"/>			
4. DATE OF DELIVERY 2-2-79		POSTMARK FEB 2 1979	
5. ADDRESS (Complete only if requested)		6. UNABLE TO DELIVER BECAUSE CLERK'S INITIALS	

0040185303

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John Sieler, Chairman
Douglas County Republican Party
1306 South 78th Avenue
Omaha, Nebraska 68124

Re: MUR 624

Dear Mr. Sieler;

On December , 1978, the Commission voted to find no reasonable cause to believe that the Douglas County Republican Party accepted a contribution from a national bank in violation of 2 U.S.C. § 441b.

Thank you for your cooperation.

Sincerely,

William C. Oldaker
General Counsel

00040185304



FEDERAL ELECTION COMMISSION

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

January 30, 1979

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

Mr. William E. Morrow, Jr.
Swarr, May, Smith & Anderson
3535 Harney Street
Omaha, Nebraska 68131

Re: MUR 624

Dear Mr. Morrow:

On January 9, 1979, the Commission voted to find no reasonable cause to believe that First National of Nebraska, Inc., violated 2 U.S.C. §441b by contributing to the Douglas County Republican Party.

Thank you for your cooperation.

Sincerely,

William C. Oldaker
General Counsel

1. SENDER: Complete items 1, 2 and 3. Add your address in the RETURN TO: space on reverse.	
2. The following service is requested: check one: <input type="checkbox"/> Show to whom and date delivered <input checked="" type="checkbox"/> Show to whom date and address of delivery RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered RESTRICTED DELIVERY <input type="checkbox"/> Show to whom date and address of delivery \$ (CONSULT POSTMASTER FOR FEES)	
3. ARTICLE ADDRESSED TO	
4. ARTICLE DESCRIPTION REGISTERED NO. 913797	INSURED NO.
(Always obtain signature of addressee or agent)	
I have received the article described above SIGNATURE <i>Wanda Wanda</i> <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent	
DATE OF DELIVERY 2-2-79	
5. ADDRESS: Complete only if required	
6. UNABLE TO DELIVER BECAUSE	
CLERK'S INITIALS	

624 LINDSEY

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. William E. Morrow, Jr.
Swan, May, Smith & Anderson
3535 Harney Street
Omaha, Nebraska 68131

Re: MUR 624

Dear Mr. Morrow:

On December , 1978, the Commission voted to find no reasonable cause to believe that First National of Nebraska, Inc., violated 2 U.S.C. §441b by contributing to the Douglas County Republican Party.

Thank you for your cooperation.

Sincerely,

William C. Oldaker
General Counsel

Lindsay:pak:12/8/78

cl 1/2/79



FEDERAL ELECTION COMMISSION

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

January 30, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Lloyd Herbener
Executive Director
Nebraska Republican Party
Nebraska State Republican Headquarters
212 Anderson Building
Lincoln, Nebraska 68508

Re: MUR 624

Dear Mr. Herbener:

This letter is to notify you that on January 9, 1979, the Commission found reasonable cause to believe that the Nebraska Republican Party violated 2 U.S.C. §§433 and 434 in that: the Nebraska Republican State Central Committee, ("the NRSCC"), failed to register and report certain receipts and expenditures of its operating account and failed to register and report any of the receipts and expenditures of the Leadership Committee. The Commission also found reasonable cause to believe that the Nebraska Republican Party violated 2 U.S.C. §441b in that: the operating account of the NRSCC accepted corporate contributions as well as transfers from the NRSCC's campaign account and Leadership Committee; the NRSCC's Leadership Committee accepted corporate contributions; and the Nebraska Republican Federal Campaign Committee, ("NRFCC"), accepted transfers from the NRSCC's operating account and Leadership Committee.

Please be advised that the Commission has a duty to make every endeavor for a period of not less than 30 days to correct such a violation by informal methods of conference, conciliation and persuasion and to enter into a conciliation agreement. 2 U.S.C. §437g(a)(5)(A).

004018307

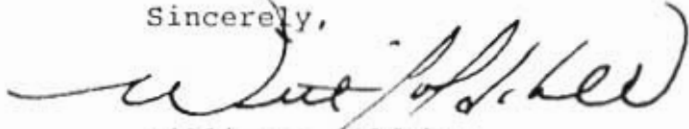
Mr. Lloyd Herbener
Page Two

If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe that a violation has occurred, institute civil suit. 2 U.S.C. §437g(a)(5)(B).

Enclosed please find a Conciliation Agreement which this office is prepared to recommend to the Commission in settlement of this matter.

If you agree with the provisions of this Agreement, please sign it and return it to the Commission within 10 days of your receipt of this letter. If not, please contact Clare Lindsay at 202-523-4175 to discuss your objections to this Agreement.

Sincerely,



William C. Oldaker
General Counsel

Enclosure

0040185308

1. VDATE MUR 6-24

2. SENDER Complete items 1, 2, and 3. Add your address in the RETURN TO space or reverse.

3. The following service is requested: check one
Show to whom and date delivered ☒
Show to whom, date, and address of delivery ☐
RESTRICTED DELIVERY ☐
Show to whom and date delivered ☐
RESTRICTED DELIVERY ☐
Show to whom, date, and address of delivery ☐
CONSULT POSTMASTER FOR FEES ☐

4. ARTICLE ADDRESSED TO

5. ARTICLE DESCRIPTION
REGISTERED NO. 73800
CERTIFIED NO. INSURED NO. ☐

(Always obtain signature of addressee or agent)
I have received the article described above
SIGNATURE Addressed Authorized agent

6. DATE OF DELIVERY 6-22-79
POSTMARK

7. ADDRESS Complete only, if requested

8. UNABLE TO DELIVER BECAUSE
CLOCK'S INITIALS

PS Form 3811 Apr 1977 49-556

RETURN RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL



FEDERAL ELECTION COMMISSION

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

January 12, 1979

MEMORANDUM

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER *OBP.*
STAFF DIRECTOR *ifz*

FROM: *RC* BOB COSTA/RAY LISI *ifz*

SUBJECT: NEBRASKA REPUBLICAN FEDERAL CAMPAIGN
COMMITTEE (THE COMMITTEE) - MUR 624

Within MUR 624 the Office of General Counsel addresses intra-account and inter-committee transfers within the Nebraska Republican Party, specifically, accounts containing prohibited funds making transfers to the Nebraska Republican Federal Campaign Committee. On August 30, 1978, the Commission found reason to believe that the Nebraska Republican Party violated 2 U.S.C. 441b in that the Nebraska Republican Federal Campaign Committee accepted transfers from the Nebraska Republican State Central Committee's operating account and the Nebraska Republican State Leadership Committee and that both accounts (operating account and Leadership Committee) accepted corporate contributions.

A review of the Committee's disclosure reports filed subsequent to our audit revealed that on July 13, 1978, the Committee reported receiving the following additional transfers:

<u>Transferring Committee</u>	<u>Amount</u>
Nebraska Republican State Central Committee-(NBC Account)	\$6,300
Nebraska Republican State Central Committee-Gen.	500 <u>1/</u>
Nebraska Republican Leadership Committee	<u>1,400</u>
Total	<u>\$8,200</u>

1/ The year-to-date total reported for this Committee indicates that the contribution was made from the Nebraska Republican State Central Committee's Operating Account.



MEMORANDUM TO BILL OLDAKER

Page 2

It is not clear which account was used to transfer the \$6,300. The year-to-date total reported indicates that this is the first transfer received from this account.

During the exit conference, the Committee was advised that it could only receive transfers from accounts established pursuant to 102.6(a)(i) and (ii). The Committee was further advised that transfers from accounts containing prohibited funds would be in violation of 2 U.S.C. 441(b).

This matter is being referred to your office since the reports of the Nebraska Republican Federal Campaign Committee indicate the receipt of additional transfers from accounts containing prohibited funds, which are not addressed in MUR 624.

0123456789001

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Nebraska Republican Party,)
et. al)

MUR 624

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on January 9, 1979, the Commission determined by a vote of 4-0 to adopt the following recommendations, as set forth in the General Counsel's Report dated January 2, 1979, regarding the above-captioned matter:

1. Find reasonable cause to believe the Nebraska Republican Party violated 2 U.S.C. §441b in that: the operating account of the Nebraska Republican State Central Committee ("NRSCC") accepted corporate contributions and transfers from the NRSCC's campaign account and the Nebraska Republican State Leadership Committee; that the Leadership Committee of the NRSCC accepted corporate contributions; and that the Nebraska Republican Federal Campaign Committee accepted transfers from the State Central Committee's operating account and the Leadership Committee.
2. Find no reasonable cause to believe that the Nebraska Republican State Central Committee of the Nebraska Republican Party accepted a contribution from a national bank in violation of 2 U.S.C. §441b.

Continued

3. Find reasonable cause to believe that the Nebraska Republican Party violated 2 U.S.C. §§433 and 434 in that: the NRSCC failed to register and report certain receipts and expenditures of its operating account in 1976 and failed to register and report any receipts and expenditures from the operating account in 1977 and 1978 and; the NRSCC failed to register and report the receipts and expenditures of the Leadership Committee in 1976, 1977, and 1978.
4. Take no further action against the United States Checkbook Company regarding its corporate contributions to the Nebraska Republican State Leadership Committee.
5. Find no reasonable cause to believe that First National of Nebraska, Inc., violated 2 U.S.C. §441b by contributing to the Douglas County Republican Party.
6. Find no reasonable cause to believe that the Douglas County Republican Party violated 2 U.S.C. §441b by accepting a contribution from First National of Nebraska, Inc.
7. Send the letters and conciliation agreement which were attached to the above-named report.

Voting for this determination were Commissioners
Aikens, McGarry, Thomson, and Harris.

Attest:

1/9/79
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 1-5-79, 11:06
Circulated on 48 hour vote basis: 1-5-79, 3:00

001185312

January 5, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 624

Please have the attached General Counsel's Report
On MUR 624 distributed to the Commission on a 48 hour
tally basis.

Thank you.

0040185313

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

In the Matter of)
)
Nebraska Republican Party,)
 et. al)

79 JAN 5 11:06
MUR 624

GENERAL COUNSEL'S REPORT

I. Introduction

On August 30, 1978, the Commission found reason to believe that the Nebraska Republican Party violated 2 U.S.C. § 441b in that: the Nebraska Republican State Central Committee's operating account accepted corporate contributions, a contribution from a national bank and transfers from the State Central Committee's campaign account and the Nebraska Republican State Leadership Committee; the Nebraska Republican Federal Campaign Committee accepted transfers from the State Central Committee's operating account; and the Nebraska Republican State Leadership Committee accepted corporate contributions.

Furthermore, the Commission found reason to believe that the Nebraska Republican Party violated 2 U.S.C. § 433 and § 434 in that: the Nebraska Republican State Central Committee failed to report certain receipts and expenditures from its operating account in 1976 and failed to report any receipts and expenditures from the operating account in 1977 and 1978, and the Nebraska Republican State Leadership Committee failed to register and report any of its activity in 1976, 1977, and 1978.

The Commission also found reason to believe: that the United States Checkbook Corporation violated 2 U.S.C. § 441b by making corporate contributions to the Nebraska Republican State Leadership Committee; that the First National of Nebraska, Inc., violated 2 U.S.C. § 441b by contributing to the Douglas County Republican Party; and finally, that the Douglas County Republican Party violated 2 U.S.C. § 441b by accepting a contribution from First National of Nebraska, Inc.

These apparent violations were discovered by the Audit Division during the course of the audits of the Nebraska Republican State Central Committee and the Nebraska Republican Federal Campaign Committee.

II. Discussion

A. Alleged National Bank Contribution

With regard to the alleged national bank contribution made by First National of Nebraska, Inc., and accepted by the Douglas County Republican Party and the operating account of the Nebraska Republican State Central Committee ("NRSCC"), the Office of General Counsel has received an affidavit from the Vice President and Comptroller of the First National Bank of Omaha setting forth the facts surrounding this contribution. The funds used to purchase the cashier's check which constituted the contribution in question were the property of the First National of Nebraska, Inc., which is not a bank. These funds were not the property of First National Bank of Omaha nor were they derived from or the proceeds of any loan by First National Bank of Omaha, which issued the cashier's check in question.

The Douglas County Republican Party, which initially accepted this contribution, explains that its records and the records of the NRSCC indicated that First National of Nebraska, Inc., is not a national bank. The Douglas County Republican Party explains that the notation, "First National Bank of Nebraska," identifying this contribution on its contributor listing, was a clerical error.

The Office of General Counsel recommends that the Commission find no reasonable cause to believe that the First National of Nebraska, Inc., the Douglas County Republican Party, and the NRSCC violated 2 U.S.C. § 441b by making and accepting a contribution from a national bank.

B. United States Checkbook Company and the Leadership Committee

Regarding the corporate contributions made several years in a row to the Nebraska Republican State Leadership Committee, ("Leadership Committee"), by the United States Checkbook Company, both parties have responded that none of these funds were intended to be used in connection with Federal elections. Apparently, Mr. Batchelder, of the United States Checkbook Company, verbally stipulated that his \$2,500 contribution should be divided between Republican State and local candidates and the Republican State Central Committee rather than part of it going to the Republican National Committee and the Nebraska Republican Federal Campaign Account as was customary with contributions to the Leadership Committee. Mr. Batchelder has informed this Office that he was assured by the State Chairman of the Nebraska Republican Party that his contributions to the Leadership Committee were legal.

0040185317

The Office of General Counsel recommends that the Commission take no further action regarding the contributions of the United States Checkbook Company to the Leadership Committee. It would appear that these contributions were not made with the intent to influence Federal elections. Moreover, the fact that the Leadership Committee was not a registered political committee further legitimizes the Company's belief that none of its contributions would be used to support Federal candidates. However, the Office of General Counsel recommends that the Commission find reasonable cause to believe that these contributions were accepted into the Leadership Committee's account in violation of 2 U.S.C. § 441b. This account supported Federal candidates and therefore could not accept monies which could not be legally contributed to Federal candidates or committees.

C. Corporate Contributions and the Operating Account

Regarding the 12 corporate contributions totaling \$1,420 which the Commission found reason to believe were deposited into the NRSCC's operating account in violation of 2 U.S.C. § 441b, counsel for the Respondent states that "human error" was the cause. All corporate contributions, (except those from U.S. Checkbook for the Leadership Committee,), were supposed to be deposited into the NRSCC's campaign account which was maintained to support state and local candidates.

Mr. Herbener, Executive Director of the Nebraska Republican Party, described as follows the NRSCC's policy for handling suspected corporate contributions:

"All contribution checks are examined twice, first by the Executive Director and then by the bookkeeper. If there is a question about a check which can't be resolved by examining it, the Secretary of State's office is called and asked whether or not the donor is a corporation. We (the NRSCC) do not keep a log of these calls, but we will establish a log from this date forward so that we can document our contacts in checking on contributions."

The Office of General Counsel recommends that the Commission find reasonable cause to believe that these contributions were accepted into the operating account in violation of 2 U.S.C. § 441b because this account supported Federal committees.

D. Bookkeeping Accounts

Mr. Herbener and Counsel for the Respondent assert that no corporate money has ever been used, directly or indirectly, to make contributions or expenditures in connection with any Federal office. The Respondent believes this is so because the transfers made by the operating account and the Leadership Committee, to the Federal Campaign Committee can be traced for the most part, via bookkeeping entries, to individuals' contributions. Therefore, these transfers do not represent transmissions of corporate monies. 1/

1/ From July 7, 1976, through January 13, 1978, the operating account transferred \$27,980 to the Federal Campaign Committee. Of this amount \$19,300 was supported by schedules of contributions from individuals, while the remaining \$8,680 represented a loan.

0010185319

The Respondent states that the operating account was a bookkeeping account. So too was the Leadership Committee which was set up to distribute a donor's single contribution to three organizations: the Republican National Committee, the Nebraska Republican Federal Campaign Committee, and the Nebraska Republican State Central Committee - operating account. The NRSCC contends that there is no language in 2 U.S.C. § 441b and 11 C.F.R. 102.6 that prohibits the use of a bookkeeping account (such as the operating account and the Leadership Committee account), as a means to hold and transmit personal contributions made to influence Federal elections when the bookkeeping account also accepts corporate funds.

Only by means of a separate segregated fund may a corporation make contributions in connection with Federal elections. 2 U.S.C. § 441b(b)(2). This fund must contain strictly voluntary personal contributions, an interpretation which the Office of General Counsel believes was upheld in FEC v A.F.L. - C.I.O. to the exclusion of bookkeeping accounts.

In FEC v A.F.L.-C.I.O. the Court affirmed the Commission's position that voluntary funds must be maintained wholly apart from union general treasury funds. This determination was consistent with the Court's consideration in Pipefitters Local Union No. 562 v. United States, 407 U.S. 385 (1972), that:

"If 'voluntary' and 'involuntary' funds are commingled and then a portion is expended for political purposes, it is impossible to tell whether the 'voluntary' or 'involuntary' money is being expended."

Counsel for the NRSCC also observes that some case law seems to indicate that an entity may not "transfer" something to itself. Citing Porter v. Barrett, 89 F.Supp. 34, 40 (E.D.Pa. 1946), the Respondent argues that transfers made among the Federal account and other accounts of the NRSCC such as the operating account and the Leadership Committee may not come under the scrutiny of the Federal Election Campaign Act.

The intent of 2 U.S.C. § 441b and 11 CFR 102.6(b) is to prevent the transmission, by any means, of funds prohibited for use in connection with Federal elections to committees and accounts which make contributions or expenditures in connection with Federal elections. See FEC v. AFL-CIO.

See also AO 1976-72, (the Commission stated that a state account may not reimburse a federal account for an allocated share of administrative expenses,).

11 C.F.R. 102.6(b) clearly intends that committees and accounts which support Federal candidates, directly or indirectly, may not accept transfers from accounts and committees established by a state committee, subordinate committee of a state committee, or another committee, which do not either maintain a separate Federal account or maintain a single account which only accepts federally permissible monies. From our reading of this regulation, it seems clear that, for the purposes of this Act, "transfers" can be made between subordinate accounts and committees of the same entity and these "transfers" must not transmit to accounts or committees involved in Federal elections funds which are prohibited for use in those elections.

E. Activity of Bookkeeping Account Makes NRSCC a "Political Committee"

The Office of General Counsel believes that in spite of the Respondent's contention that the operating account and the Leadership Committee were bookkeeping accounts of the NRSCC, the fact that these entities each made contributions or expenditures in connection with Federal elections in an amount exceeding \$1,000 per calendar year, clearly obligates the NRSCC to observe the reporting requirements and contribution restrictions of the Act.

Having qualified as a political committee, the NRSCC should have registered and reported as such, or, under the

alternative allowed for in 11 C.F.R. 102.6, created separate committees to register and report the activity of the operating account and the Leadership Committee. The NRSCC, having failed to do either, is in violation of 2 U.S.C. §§ 433 and 434 with respect to the operating account and the Leadership Committee. 2/ The Office of General Counsel recommends that the Commission find reasonable cause to believe that the NRSCC violated 2 U.S.C. §§ 433 and 434 with respect to these two accounts.

Furthermore, 2 U.S.C. § 441b prohibits a political committee from accepting contributions from a corporation or labor organization, including indirect contributions such as transfers from a committee or account which contains corporate or labor organization contributions. Both the operating account and the Leadership Committee accepted corporate contributions as discussed above. Moreover, the operating account accepted transfers from the NRSCC's campaign account which contained corporate contributions. 3/

-
- 2/ The NRSCC was registered and reporting the operating account's activity from January 1, 1976, through May 31, 1976. However, the activity of this account was not reported thereafter and the NRSCC terminated its committee status. No reports were ever filed of the Leadership Committee's activity.
- 3/ The NRSCC is not cited for failure to report the campaign account's activity or the account's acceptance of corporate contributions. This account was established to support state candidates. While a Federal account, the operating account received some transfers from the campaign account (acceptance of which has been cited) however, the campaign account did not support Federal committees to the extent that the operating account and the Leadership Committee did.

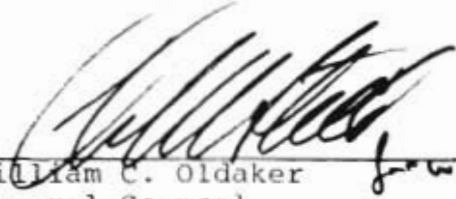
The Office of General Counsel finds no new information in the replies of Mr. Herbener and Counsel for the Nebraska Republican Party which would warrant changes in the recommendations with regard to the NRSCC and NRFCC (which accepted transfers from the operating account and Leadership Committee) except, as we recommended above, that the Commission should find no reasonable cause to believe that the NRSCC accepted an alleged national bank contribution.

RECOMMENDATIONS

1. Find reasonable cause to believe the Nebraska Republican Party violated 2 U.S.C. § 441b in that: the operating account of the Nebraska Republican State Central Committee ("NRSCC") accepted corporate contributions and transfers from the NRSCC's campaign account and the Nebraska Republican State Leadership Committee; that the Leadership Committee of the NRSCC accepted corporate contributions; and that the Nebraska Republican Federal Campaign Committee accepted transfers from the State Central Committee's operating account and the Leadership Committee.
2. Find no reasonable cause to believe that the Nebraska Republican State Central Committee of the Nebraska Republican Party accepted a contribution from a national bank in violation of 2 U.S.C. § 441b.
3. Find reasonable cause to believe that the Nebraska Republican Party violated 2 U.S.C. §§ 433 and 434 in that: the NRSCC failed to register and report certain receipts and expenditures of its operating account in 1976 and failed to register and report any receipts and expenditures from the operating account in 1977 and 1978 and; the NRSCC failed to register and report the receipts and expenditures of the Leadership Committee in 1976, 1977, and 1978.
4. Take no further action against the United States Checkbook Company regarding its corporate contributions to the Nebraska Republican State Leadership Committee.

5. Find no reasonable cause to believe that First National of Nebraska, Inc., violated 2 U.S.C. § 441b by contributing to the Douglas County Republican Party.
6. Find no reasonable cause to believe that the Douglas County Republican Party violated 2 U.S.C. § 441b by accepting a contribution from First National of Nebraska, Inc.
7. Send attached letters and conciliation agreement .

2 January 1979
Date


William C. Oldaker
General Counsel

Attachments:

Letter and Conciliation Agreement to Lloyd Herbener
Letters to Clifton Batchelder, John Sieler, and
William Morrow.

000003324



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20461

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Lloyd Herbener
Executive Director
Nebraska Republican Party
Nebraska State Republican Headquarters
212 Anderson Building
Lincoln, Nebraska 68508

Re: MUR 624

Dear Mr. Herbener:

This letter is to notify you that on December 1978, the Commission found reasonable cause to believe that the Nebraska Republican Party violated 2 U.S.C. §§433 and 434 in that: the Nebraska Republican State Central Committee, ("the NRSCC"), failed to register and report certain receipts and expenditures of its operating account and failed to register and report any of the receipts and expenditures of the Leadership Committee. The Commission also found reasonable cause to believe that the Nebraska Republican Party violated 2 U.S.C. §441b in that: the operating account of the NRSCC accepted corporate contributions as well as transfers from the NRSCC's campaign account and Leadership Committee; the NRSCC's Leadership Committee accepted corporate contributions; and the Nebraska Republican Federal Campaign Committee, ("NRFCC"), accepted transfers from the NRSCC's operating account and Leadership Committee.

Please be advised that the Commission has a duty to make every endeavor for a period of not less than 30 days to correct such a violation by informal methods of conference, conciliation and persuasion and to enter into a conciliation agreement. 2 U.S.C. §437g(a)(5)(A).

Mr. Lloyd Herbener
Page Two

If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe that a violation has occurred, institute civil suit. 2 U.S.C. §437g(a)(5)(B).

Enclosed please find a Conciliation Agreement which this office is prepared to recommend to the Commission in settlement of this matter.

If you agree with the provisions of this Agreement, please sign it and return it to the Commission within 10 days of your receipt of this letter. If not, please contact Clare Lindsay at 202-523-4175 to discuss your objections to this Agreement.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

0040185326



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Clifton B. Batchelder
President
United States Checkbook Company
1201 South 16th Street
Omaha, Nebraska 68108

Re: MUR 624

Dear Mr. Batchelder:

On December , 1978, the Commission voted to take no further action regarding your corporation's contributions to the Nebraska Republican State Leadership Committee.

Thank you for your cooperation.

Sincerely,

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John Sieler, Chairman
Douglas County Republican Party
1306 South 78th Avenue
Omaha, Nebraska 68124

Re: MUR 624

Dear Mr. Sieler:

On December , 1978, the Commission voted to find no reasonable cause to believe that the Douglas County Republican Party accepted a contribution from a national bank in violation of 2 U.S.C. § 441b.

Thank you for your cooperation.

Sincerely,

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20463

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

Mr. William E. Morrow, Jr.
Swarr, May, Smith & Anderson
3535 Harney Street
Omaha, Nebraska 68131

Re: MUR 624

Dear Mr. Morrow:

On December , 1978, the Commission voted to find no reasonable cause to believe that First National of Nebraska, Inc., violated 2 U.S.C. §441b by contributing to the Douglas County Republican Party.

Thank you for your cooperation.

Sincerely,

William C. Oldaker
General Counsel

001778329



FEDERAL ELECTION COMMISSION

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

December 11, 1978

C. Arlen Beam
Knudsen, Berkheimer, Endacott & Beam
1000 NBC Center
Lincoln, Nebraska 68508

Re: MUR 624

Dear Mr. Beam:

Per your conversation on November 17, 1978, with Clare Lindsay of the Office of General Counsel, please find enclosed the Motion for Summary Judgment and the Order entered in Federal Election Commission v. American Federation of Labor and Congress of Industrial Organizations.

Sincerely,

A handwritten signature in dark ink, appearing to read "W. C. Oldaker", is written over the typed name.

William C. Oldaker
General Counsel

Enclosures

0001185330



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
DATE: NOVEMBER 27, 1978
SUBJECT: MUR 624 - Interim Report dated 11-21-78
Received in OCS: 11-24-78, 10:55

The above-named document was circulated on a 24 hour no-objection basis at 12:00, November 24, 1978.

The Commission Secretary's Office has received no objections to the Interim Report as of 1:00 this date.

13338000

November 22, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 624

Please have the attached Interim Report on MUR 624
distributed to the Commission

Thank you.

00040185332

RECEIVED
OFFICE OF THE
COMMISSIONER

78 NOV 22 A10: 55

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of the
Nebraska Republican State
Central Committee et.al

)
)
)
)

MUR 624

INTERIM REPORT

On August 30, 1978, the Commission found reason to believe that the Nebraska Republican State Central Committee and various subordinate committees and accounts violated 2 U.S.C. §§ 433, 434, and 441b. The Commission also found reason to believe that the United States Checkbook Company, First National of Nebraska, Inc., and the Douglas County Central Committee violated 2 U.S.C. § 441b.

The Office of General Counsel has received replies from all of the respondents and is in the process of preparing a lengthy General Counsel's Report which will recommend that the Commission find reasonable cause to believe that certain violations have occurred. This General Counsel's Report will be circulated to the Commission within the next two weeks.

11/21/78
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 *mwe*
DATE: OCTOBER 13, 1978
SUBJECT: MUR 624 - Interim Report dated 10-10-78
Received in OCS: 10-12-78,
12:41

The above-named document was circulated on a 24 hour no-objection basis at 4:00 p.m., October 12, 1978.

The Commission Secretary's Office has received no objections to the Interim Report as of 4:00 this date.

100-101853-34

October 12, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 624

Please have the attached Interim Report on
MUR 624 distributed to the Commission.

Thank you.

5
3
3
5
8
0
4
0
0
0

BEFORE THE FEDERAL ELECTION COMMISSION

78 OCT 12 P12: 4

In the Matter of

Nebraska Republican Party et. al.

MUR 624

INTERIM REPORT

On August 30, 1978, the Commission found reason to believe that the Nebraska Republican Party violated 2 U.S.C. § 441b in that: The Nebraska Republican State Central Committee's operating account accepted corporate contributions, contributions from a national bank and transfers from the State Central Committee's campaign account and the Nebraska Republican State Leadership Committee; the Nebraska Republican Federal Campaign accepted transfers from the State Central Committee's operating account; and, the Nebraska Republican State Leadership Committee accepted corporate contributions. The Commission also found reason to believe that the Nebraska Republican Party violated 2 U.S.C. §§ 433 and 434 in that: the State Central Committee failed to report certain receipts and expenditures from the State Central Committee's operating account in 1976 and failed to report any receipts and expenditures from the operating account in 1977 and 1978; and, the Nebraska Republican State Leadership Committee failed to register and report any of its activity in 1976, 1977 and 1978.

The Commission found reason to believe the United States Checkbook Corporation violated 2 U.S.C. § 441b by making corporate contributions to the Nebraska Republican State Leadership Committee, that the First National of Nebraska, Inc. violated 2 U.S.C. § 441b by making a bank contribution to the Douglas County Republican Party and that the Douglas County Republican Party violated 2 U.S.C. § 441b by accepting this contribution.

This Office has received replies from the Douglas County Republican Party and the First National of Nebraska, Inc.

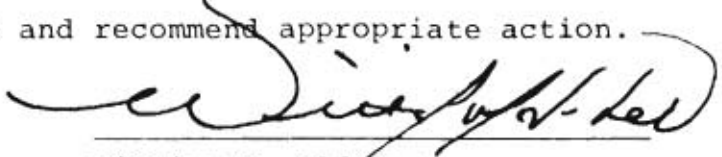
explaining that the contribution from the latter was not a bank contribution but a contribution from a corporation made in connection with State elections in Nebraska.

The United States Checkbook Corporation has replied that a contribution was made by it to the Nebraska Republican State Leadership Committee with the understanding that no part of the contribution would be used for Federal elections.

As for the Nebraska Republican Party, we have received word from their counsel that a written reply will be mailed by October 9, 1978. At that time the Office of General Counsel will analyze all the responses and recommend appropriate action.

10/10/78

Date



William C. Oldaker
General Counsel

00000185337

RICHARD A. KNUDSEN
RICHARD L. BERKHEIMER
DONALD E. ENDACOTT
C. ARLEN BEAM
WALLACE A. RICHARDSON
RICHARD R. ENDACOTT
ROBERT L. ANDERSON
ROBERT J. ROUTH
JAMES A. SNOWDEN
KENNETH C. STEPHAN
GARY L. DOLAN
LARRY L. RUTH
RODNEY M. CONFER
RICHARD C. REIER
LINDA B. JAECKEL
ROBERT A. CANNON

KNUDSEN, BERKHEIMER, ENDACOTT & BEAM

ATTORNEYS AT LAW

1000 NBC CENTER

LINCOLN, NEBRASKA 68508

TELEPHONE (402) 475-7011

806614

FEDERAL ELECTION
COMMISSION

GUY C. CHAMBERS
DECEASED
1918-1974

78 OCT 10 PM 5:12

October 6, 1978

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, DC 20463

Attention: Clair Lindsay

Re: MUR 624

Dear Oldaker:

Mr. Lloyd Herbener, Executive Director of the Nebraska Republican State Central Committee, has asked us to respond to your letter of September 6, 1978. Because of the press of other matters, we have not had the opportunity to research this matter as thoroughly as we will attempt to do within the next few days.

According to Mr. Herbener, when the Federal Election Act came into existence, the Nebraska Republican State Central Committee was substantially using but one bank account. As we understand it, this practice continued until May 31, 1976, when the Nebraska Republican State Central Committee account (hereinafter sometimes called operating account) was D-Registered as a federal reporting account. This action was apparently done on the advice of the Republican National Committee. The old reporting number was RN310002. A copy of the termination letter, furnished to us by Mr. Herbener, is enclosed. Also enclosed is what appears to be your acknowledgment of this termination.

On May 31, 1976, the Nebraska Republican State Central Committee federal campaign account was created. An organization form setting forth this account was apparently filed and, as we understand it, an identification number, C00032334, was assigned.

In early 1977, the Nebraska Republican State Central Committee apparently established a bookkeeping account in conjunction with a large donor's program which was instituted at or about that time.

Page Two
Mr. William C. Oldaker
October 6, 1978

The individual contributors in that program gave a total of \$2,500.00 each which they apparently stipulated to be divided in the following way:

- a) \$1,000.00 to the Republican National Committee;
- b) \$1,000.00 to the Federal Campaign Account; and
- c) \$500.00 to the Nebraska Republican State Central Committee operating account.

The only exception to that stipulation, as we understand it, was U.S. Checkbook, Inc., a corporation, which dictated that its \$2,500 would be divided with \$2,000 going to Republican state and local candidates and \$500 going to the Republican State Central Committee account. We are informed that this large donors account was a bookkeeping account designed to allow the accomplishment of the donor's intent insofar as breaking down a single check to the various recipient accounts.

There apparently exists a separate Nebraska Republican State Central Committee account for state and local candidates. We understand that it has always been the intention of the Nebraska State Central Committee to deposit all corporate contributions, which are now authorized by Nebraska law, in this account. The sole exception, as we understand it, was the U.S. Checkbook large donor contribution.

Accordingly, we are informed that it was simply a human error that caused the corporate contributions of Crete Carrier Corporation, Buttercup Foods, Inc., Judds Brothers Construction Company, Hopper Brothers Quarries, Dutton-Lainson Company, Southeast Enterprise, Lincoln Plating Company, Leaseco Inc., Michael Albert Inc., and Interiors Inc. to be deposited in the Nebraska State Central Committee (operating) account. In that regard, we are informed that the Nebraska Republican State Central Committee records do not indicate that Allan Funeral Homes is a corporation.

In any event, we are informed by Mr. Herbener that no corporate money has ever been used, directly or indirectly, to make contributions or expenditures in connection with any federal office. Furthermore, we are informed by Mr. Herbener that First National Bank of Nebraska, Inc. is a Nebraska corporation functioning as a one-bank holding company and is not a national bank.

In connection with the audit of the Nebraska Republican State Central Committee, we understand that the Commission was supplied the name, address and amount of individual contributions which contributions were deposited in the federal account.

Page Three
Mr. William C. Oldaker
October 6, 1978

As we understand your position, you apparently contend that since the operating account received corporate monies from time to time that it could not be used as a bookkeeping account for individual contributions which ultimately reached the federal account. You cite 2 U.S.C. 441(b) as the basis for your conclusion. We do not find any language in that section which prohibits the use of a bookkeeping account. You also cite 11 C.F.R. 102.6(b) in support of your position. We have difficulty in finding the statutory basis for this regulation as you interpret it and we do not see that it is applicable in this instance. You apparently specifically refer to Rule 102.6(b)(2) in your letter. We do not find a definition in the regulations for the word "transfer". There are, however, a number of cases which seem to indicate that you cannot "transfer" something to yourself. See for instance Porter v. Barrett, 89 Fed. Supp. 35, 40. The Nebraska State Central Committee, the only entity involved in this matter, complied explicitly, as we see it, with 11 C.F.R. 102.6(b)(a)(2)(i) and (ii). The federal account and the other accounts which you refer to in your letter are all accounts of the same entity, to wit: the Nebraska Republican State Central Committee. To label as "transfers" the internal bookkeeping transactions all of which clearly show, as we understand it, that only contributions of individuals went into the federal account, seems to us to extend an overbroad meaning to the word "transfer" and to be well beyond both the letter and spirit of 2 U.S.C. 441b.

Notwithstanding the foregoing, the Nebraska Republican State Central Committee wishes to cooperate in every way with the Federal Election Commission. It wishes, as we understand it, to attempt to comply with your wishes henceforth. In fact, we understand that your suggested procedures have been implemented for some time.

The Nebraska Republican State Central Committee also desires to implement any further changes, within reason, which you suggest as a result of your audit. They have indicated that they know you are attempting to provide a uniform implementation of federal election laws for the benefit of all citizens.

We thank you for the opportunity to respond to your letter of September 6, 1978. Mr. Herbener and the Nebraska Republican State Central Committee (Nebraska Republican Party) wish this matter to remain confidential in accordance with 2 U.S.C. Section 437g(a)(3) and your letter of September 6, 1978. May we please hear from you on this matter.

Yours very truly,



C. Arlen Beam
For the Firm

CAB/dc
Enclosures
cc: Lloyd Herbener
Anne Batchelder
Dale Young

Bill Morrow
Pat Smith
Harry Dixon



ANNE BATCHELDER
STATE CHAIRMAN

Nebraska Republican State Central Committee

State Headquarters • 212 Anderson Building • Lincoln, Nebraska 68508 • (402) 432-5526

William Morrow, Jr.
1515 Harney St.
Omaha 68131
National Committeeman

Max Patricia Lake Smith
916 Oak Creek Road
Lincoln 68510
National Committeewoman

Don Steen
Box 29
Murdock 68558
Vice Chairman

Lloyd W. Harbener
212 Anderson Bldg.
Lincoln 68508
Executive Director

June 9, 1976

Federal Election Commission
1325 K Street N. W.
Washington, D.C. 20463

Dear Sirs:

We are filing our last official report (FEC Form 278) dated in the enclosed material. All accounting of year to date receipts are complete through the period of January 1, 1976 to May 31, 1976.

Please acknowledge termination received.

Sincerely,

Lloyd W. Harbener

Mr. Lloyd Harbener
212 Anderson Building

Philip H. Smith
212 Anderson Building

001008341



RS

FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463NEBRASKA REPUBLICAN STATE CENTRAL
COMMITTEEMr. Dale Young, Treasurer
212 Anderson Bldg.
Lincoln, Nebraska 68508

July 19, 1976

Dear Mr. Young

2 This letter is prompted by our interest in assisting
4 candidates and committees who wish to comply with the
Federal Election Campaign Act, as amended.

3 During review of the TERMINATION
Report of Receipts and Expenditures, we noticed that you
omitted information or made apparent mathematical errors
in certain entries. Attached is an itemization of the
information requested.

1 While we recognize the difficulties you may have
experienced in filling out the reporting forms, we must
ask that you supply the Commission with the missing
information within ten (10) days of receipt of this
letter. If you have any questions, please do not hesitate
to call our Reports Examining Section at (202/382-3484).

Sincerely,

Orlando B. Potter
Staff Director

Attachment



KNUDSEN, BERKHEIMER, ENDACOTT & BEAM
ATTORNEYS AT LAW
1000 NBC CENTER
LINCOLN, NEBRASKA 68508

0010185343

'73 OCT 10 PM 5:12

First Class Mail
2W sse19 1st



POST OFFICE TO ADDRESSEE

1 751103

FROM:

TO:

Customer Number, if any

DESTINATION:

Date of Delivery
Time of Delivery
Initials of Delivering Employee
Signature of Addressee or Agent

DELIVERY WAS ATTEMPTED

Date Time

Notice Left By

EXPRESS MAIL SERVICE

-ABEL 11B DEC 177



REPUBLICAN PARTY OF DOUGLAS COUNTY

FEDERAL ELECTION
COMMISSION

600-
5007

mue 624

18 SEP 25 A 9: 52

3567 Leavenworth
Omaha, Nebraska 68105
Phone: 402/345-4700

September 14, 1978

John H. Sieler
Chairman

Barbara Kuhn
Vice-Chairman

Anne Morris
Secretary

Philip L. Ullerich
Treasurer

David K. Karnes
Legal Counsel

Woodrow Benford
Ass't Chairman

Jerry Florine
Ass't Chairman

Denis Kendall
Ass't Chairman

Charles J. Marr
Ass't Chairman

Mr. William C. Oldaker
Federal Election Commission
1325 "K" Street, NW
Washington, D. C. 20463

806464

Dear Mr. Oldaker:

In response to your September 6 letter received by me on September 12, I would like to notify you that the current Douglas County Republican Party Chairman is John Sieler, 1306 South 78th Ave., Omaha, NE 68124.

I have, however, reviewed the Douglas County Republican Party records concerning the \$1000 contribution from First National of Nebraska, Inc. and have also reviewed the matter with the Nebraska Republican State Central Committee.

Both our Douglas County's records and those of the Nebraska Republican State Central Committee indicate that First National of Nebraska, Inc. is not a national bank.

This fact was communicated to your auditors several months ago in Lincoln, Nebraska, when they made a review of these contributions. It's also my understanding that a copy of the check was provided to your auditors.

We can only attribute the notation of "First National Bank of Nebraska" on the contributors listing which was reported to the State Central Committee as a clerical error.

We're sorry if this error has caused you any inconvenience.

Sincerely,

Sherry Potter

Sherry Potter
Past Chairman
Douglas County Republican Party

cc: Nebraska Republican State Central Committee

REPUBLICAN PARTY OF DOUGLAS COUNTY
3567 Leavenworth
Omaha, Nebraska 68105



SEP 25 19:52

Mr. William C. Oldaker
Federal Election Commission
1325 "K" Street, NW
Washington, D. C. 20463

BCC*
4964

RICHARD A. KNUDSEN
RICHARD L. BERKHEIMER
DONALD E. ENDACOTT
C. ARLEN BEAM
WALLACE A. RICHARDSON
RICHARD R. ENDACOTT
ROBERT L. ANDERSON
ROBERT J. ROUTH
JAMES A. SNOWDEN
KEVINETH C. STEPHAN
GARY L. DOLAN
LARRY L. RUTH
RODNEY M. CONFER
RICHARD C. REIER
LINDA B. JAECKEL
ROBERT A. CANNON

KNUDSEN, BERKHEIMER, ENDACOTT & BEAM

ATTORNEYS AT LAW

1000 NBC CENTER

LINCOLN, NEBRASKA 68508

TELEPHONE (402) 475-7011

GUY C. CHAMBERS
DECEASED
1919-1974

September 18, 1978

Claire Lindsay
Office of the General Counsel
Federal Election Commission
1235 "K" Street Northwest
Washington, D.C. 20463

806377

Re: MUR 624

Dear Ms. Lindsay:

By your letter of September 6, 1978, you communicated with Mr. Lloyd Herbener, executive director of The Nebraska Republican Party.

Mr. Herbener apparently received your letter on September 8, 1978, and spoke with me briefly about it during the afternoon of that date. I informed him that I could not visit with him about the matter for the first three days of the following week because of some pre-existing commitments for clients. On visiting with him on the morning of September 14, 1978, it became readily apparent that I could not meaningfully respond to your correspondence within the ten day period set forth in your letter. Accordingly, I visited with you by telephone on September 15, 1978 to that end. I tried to call you on several occasions on September 14, and earlier in the day on September 15, but kept getting a recording which indicated that because of an electrical malfunction your building was closed. I sent you a telegram, which I presume you have now received.

Because of other commitments, it was not possible for me to begin analyzing your communication until today. I will proceed at that time to more completely analyze the matters which you bring to the attention to Mr. Herbener. I will make every effort to have a response drafted and in the mail on or before October 2, 1978. I trust this is satisfactory. I understand that you do not make "formal" extensions of time, but in the past responses of this type pointing out the need for additional time have been found to be satisfactory by the Commission.

One additional matter that I would like to bring to your attention is that the general counsel for the Nebraska Republican Party is out of the state until the end of this week. It is my intention to ask him to participate with me in the drafting of a reply to you.

September 18, 1978
Claire Lindsay
Page Two

Thank you for your consideration in this matter.

Yours very truly,

A handwritten signature in dark ink, appearing to read "C. Arlen Beam". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

C. Arlen Beam
For the Firm

CAB/mmh

cc/Lloyd Herbener

0000085347

KNUDSEN, BERKHEIMER, ENDACOTT & BEAM

ATTORNEYS AT LAW

10012-24H-456112

LINCOLN, NEBRASKA 68508

Ms. Claire Lindsay
Office of the General Counsel
Federal Election Commission
1235 "K" Street Northwest
Washington, D.C. 20463



80624

LAW OFFICES
SWARR, MAY, SMITH & ANDERSEN
 3535 HARNEY STREET OMAHA, NEBRASKA 68131

(402) 341-5421

FEDERAL

DAVID W. SWARR (1887-1978)
 ALBERT E. MAY
 EDSON SMITH
 ROBERT H. ANDERSEN
 ROBERT H. BERRKSHIRE
 SOREN S. JENSEN
 WM. E. MORROW, JR.
 THOMAS D. STALNAKER
 ROBERT J. BECKER
 GEDDIE C. ROZMARIN
 DONALD J. BURFISH
 THOMAS C. LAURITSEN
 SAM R. BROWER

17B SEP 14

September 15, 1978

12004
 41915

Federal Election Commission
 1325 "K" Street N.W.
 Washington, D. C. 20463

CERTIFIED MAIL

Attention: William C. Oldaker
 General Counsel

Re: MUR 624

Dear Mr. Oldaker:

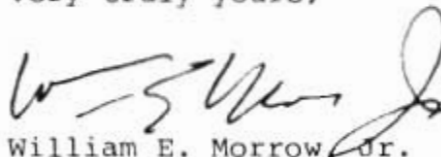
Your letter of September 6, 1978 addressed to John R. Lauritzen, Chairman of First National of Nebraska, Inc., has been referred to us for reply.

In that letter you state: "The Commission has reason to believe that the \$1,000 contribution from First National of Nebraska, Inc. represents a contribution composed of funds from a national bank***".

Your letter fails to indicate that your auditors have previously inquired concerning this matter and that they were advised that the donation was made from funds of First National of Nebraska, Inc., which is not a national bank. We enclose herewith an affidavit executed by Curtis Gard, Vice President and Comptroller of First National Bank of Omaha, setting forth the facts in regard to this matter, and clearly demonstrating the contribution in question was not composed of funds from a national bank.

We trust this this will be sufficient to satisfy you concerning this matter. If you have any further questions, we will be glad to attempt to answer them for you.

Very truly yours,



William E. Morrow Jr.

WEM/jk
 Enc.
 cc John Lauritzen

901183349

LAW OFFICES

SWARR, MAY, SMITH & ANDERSEN

3335 HARNEY STREET - OMAHA, NEBRASKA 68131

Federal Election Commission

1325 "K" Street N.W.

Washington, D. C. 20463

Attention: William C. Oldaker

C.O.#
4917
RECEIVED
FEDERAL ELECTION
COMMISSION

78 SEP 19 A12: 37

United States Check Book Company

806296

1201 SOUTH SIXTEENTH STREET • TELEPHONE 345-3162
OMAHA, NEBRASKA, 68108

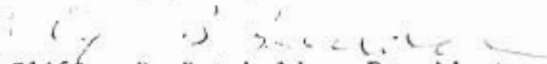
September 15, 1978

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Dear Sir:

In reply to your letter of September 6th with reference to MUR 624 I wish to advise that this corporation contributed to the Nebraska Republican State Leadership Committee on the basis of their assurance that none of these funds would be used for support of Federal candidates. I have no reason to think that they have not carried out this promise.

Sincerely yours,


Clifton B. Batchelder, President

CRB/iw

0011352



Clifton B. Batchelder, President

United States Check Book Company

1701 SOUTH SIXTEENTH STREET
OMAHA, NEBRASKA, 68108

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

SEP 19 12:37



1-1099
felegram



western union

Telegram

4-017 33E258 0941

1138A

BDM



FEDERAL ELECTION COMMISSION

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

September 6, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John R. Lauritzen, Chairman
First National of Nebraska, Inc.
16th and Dodge
Omaha, NE 68102

Re: MUR 624

Dear Mr. Lauritzen:

This letter is to inform you that on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities the Federal Election Commission has found reason to believe that a violation of the Federal Election Campaign Act, as amended (the "Act"), has occurred in that the First National of Nebraska, Inc. contributed \$1,000 on October 27, 1977 to the Republican Dinner Party for Senator Baker through the Douglas County Republican Party in violation of 2 U.S.C. § 441b. This contribution was recorded as received by the Douglas County Republican Party from the "First National Bank of Nebraska."

Under 2 U.S.C. § 441b, it is unlawful for any national bank to make a contribution or expenditure in connection with any election to any political office.

The Commission has reason to believe that the \$1,000 contribution from First National of Nebraska, Inc., represents a contribution composed of funds from a national bank and is thereby a contribution which is prohibited under the Act in connection with any election to political office whether it be on the local, state or national level.

0040185356

Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action should be taken. As part of this process, please submit within 10 days of receipt of this letter, any factual or legal materials which you deem relevant to the investigation of this matter. Failure to reply to this letter within 10 days however may cause the Commission to take action based upon the information at hand.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you state to the Commission, in writing, that you wish the investigation to be made public. The staff member assigned to this matter is Clare Lindsay (202-523-4040 or toll free 800-424-9530, ext. 50).

Sincerely,

William C. Oldaker

William C. Oldaker
General Counsel

PS Form 3811, Apr 1977 RETURN RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
☐ Show to whom and date delivered
☒ Show to whom, date, and address of delivery
☐ RESTRICTED DELIVERY Show to whom and date delivered
☐ RESTRICTED DELIVERY Show to whom, date, and address of delivery \$
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
John R. Kuntz

3. ARTICLE DESCRIPTION:
 REGISTERED NO. *943091* CERTIFIED NO. INSURED NO.
 (Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE ☐ Addressee ☐ Authorized agent
H. Kuntz

4. DATE OF DELIVERY

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

POSTMARK
 SEP 13 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John R. Lauritsen, Chairman
First National of Nebraska, Inc.
16th and Dodge
Omaha, NE 68102

Re: MUR-624

Dear Mr. Lauritsen:

This letter is to inform you that on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities the Federal Election Commission has found reason to believe that a violation of the Federal Election Campaign Act, as amended (the "Act"), has occurred in that the First National of Nebraska, Inc. contributed \$1,000 on October 27, 1977 to the Republican Dinner Party for Senator Baker through the Douglas County Republican Party in violation of 2 U.S.C. § 441b. This contribution was recorded as received by the Douglas County Republican Party from the "First National Bank of Nebraska."

Under 2 U.S.C. § 441b, it is unlawful for any national bank to make a contribution or expenditure in connection with any election to any political office.

The Commission has reason to believe that the \$1,000 contribution from First National of Nebraska, Inc., represents a contribution composed of funds from a national bank and is thereby a contribution which is prohibited under the Act in connection with any election to political office whether it be on the local, state or national level.

80040185358

Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action should be taken. As part of this process, please submit within 10 days of receipt of this letter, any factual or legal materials which you deem relevant to the investigation of this matter. Failure to reply to this letter within 10 days however may cause the Commission to take action based upon the information at hand.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you state to the Commission, in writing, that you wish the investigation to be made public. The staff member assigned to this matter is Clare Lindsay (202-523-4040 or toll free 800-424-9530, ext. 50).

Sincerely,

William C. Oldaker
General Counsel

9/5/75
CL

30040185359



FEDERAL ELECTION COMMISSION

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

September 6, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Sherrie Potter, Chairman
Douglas County Republican Party
2611 North 121st
Omaha, NE 68104

Re: MUR 624

Dear Ms. Potter:

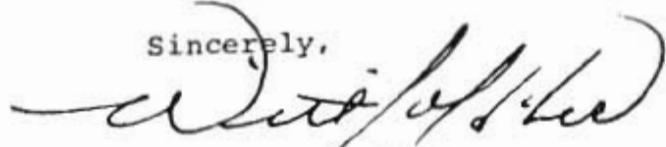
This letter is to notify you that on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has determined that it has reason to believe that the Douglas County Republican Party has violated the Federal Election Campaign Act in that it accepted a contribution dated October 27, 1977 for \$1,000 from First National of Nebraska, Inc. made out to the "Republican Dinner Party for Senator Baker". This contribution was recorded as received by the Douglas County Republican Party from the "First National Bank of Nebraska" on a listing of contributors which accompanied a transfer from the Douglas County Republican Party to the Nebraska Republican State Central Committee.

Under 2 U.S.C. § 441b it is unlawful for any national bank to make a contribution or expenditure in connection with any election to any political office or for any political committee or other person to accept such a contribution.

Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action should be taken. As part of this process, please submit within 10 days of receipt of this letter, any factual or legal materials which you deem relevant to the Commission's investigation of this matter. Failure to reply to this letter within 10 days however may cause the Commission to take action based upon the information at hand.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you state to the Commission, in writing, that you wish the investigation to be made public. The staff member assigned to this matter is Clare Lindsay (202-523-4040 or toll free 800-424-9530 ext. 50).

Sincerely,



William C. Oldaker
General Counsel

CL 624

PS Form 3811, Apr 1977 RETURN RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3. Add your address in the RETURN TO space on reverse.

1. The following service is requested (check one)

☐ Show to whom and date delivered

☒ Show to whom, date, and address of delivery

☐ RESTRICTED DELIVERY Show to whom and date delivered.

☐ RESTRICTED DELIVERY Show to whom, date, and address of delivery \$

> (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO

Ms. Sherie Potter

3. ARTICLE DESCRIPTION

REGISTERED NO CERTIFIED NO INSURED NO

943093

(Always obtain signature of addressee or agent)

I have received the article described above

SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Sherrie Potter, Chairman
Douglas County Republican Party
2611 North 121st
Omaha, NE 68104

Re: MUR 624

Dear Ms. Potter:

This letter is to notify you that on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has determined that it has reason to believe that the Douglas County Republican Party has violated the Federal Election Campaign Act in that it accepted a contribution dated October 27, 1977 for \$1,000 from First National of Nebraska, Inc. made out to the "Republican Dinner Party for Senator Baker". This contribution was recorded as received by the Douglas County Republican Party from the "First National Bank of Nebraska" on a listing of contributions which accompanied a transfer from the Douglas County Republican Party to the Nebraska Republican State Central Committee.

Under 2 U.S.C. § 441b it is unlawful for any national bank to make a contribution or expenditure in connection with any election to any political office or for any political committee or other person to accept such a contribution.

Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action should be taken. As part of this process, please submit within 10 days of receipt of this letter, any factual or legal materials which you deem relevant to the Commission's investigation of this matter. Failure to reply to this letter within 10 days however may cause the Commission to take action based upon the information at hand.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you state to the Commission, in writing, that you wish the investigation to be made public. The staff member assigned to this matter is Clare Lindsey (202-523-4040 or toll free 800-424-9530 ext. 50).

Sincerely,

William C. O'Daker
General Counsel

00040185363

cl
9/5/78



FEDERAL ELECTION COMMISSION

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

September 6, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Clifton Batchelder
United States Checkbook Co.
7875 State
Omaha, NE 68152

Re: MUR 624

Dear Mr. Batchelder:

This letter is to notify you that on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that a violation of the Federal Election Campaign Act has occurred in that your company, which has been verified as incorporated by the Nebraska Secretary of State, made contributions in 1976, 1977 and 1978 totaling \$7,050.00 to the Nebraska Republican State Leadership Committee in violation of 2 U.S.C. § 441b.

Under 2 U.S.C. § 441b it is unlawful for any corporation to make a contribution in connection with any election for Federal office.

The Nebraska Republican State Leadership Committee solicits prospective members to make a \$2,500 contribution per year which will be divided between the Republican National Committee, the Nebraska Republican Federal Campaign Committee and the Nebraska Republican State Central Committee.

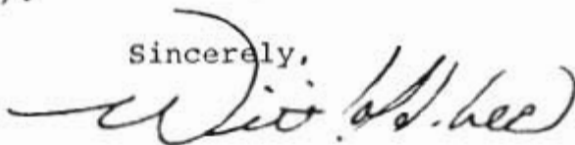
The Nebraska Republican Federal Campaign Committee supports candidates for Federal office and therefore may not be contributed to by corporations even through another Committee such as the Nebraska Republican State Leadership Committee.

0049185364

Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to conduct an investigation and to afford you a reasonable opportunity to demonstrate that no action should be taken. As part of this process, please submit within 10 days of receipt of this letter, any factual or legal materials which you deem relevant to the investigation of this matter. Failure to reply to this letter within 10 days, however, may cause the Commission to take action based upon the information at hand.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you state to the Commission, in writing, that you wish the investigation to be made public. The staff member assigned to this matter is Clare Lindsay (202-523-4040 or toll free 800-424-9530 ext 50).

Sincerely,



William C. Oldaker
General Counsel

0000085365

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Clifton Batchelder
United States Checkbook Co.
7875 State
Omaha, NE 68152

Re: MUR 624

Dear Mr. Batchelder:

This letter is to notify you that on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that a violation of the Federal Election Campaign Act has occurred in that your company, which has been verified as incorporated by the Nebraska Secretary of State, made contributions in 1976, 1977 and 1978 totaling \$7,050.00 to the Nebraska Republican State Leadership Committee in violation of 2 U.S.C. § 441b.

Under 2 U.S.C. § 441b it is unlawful for any corporation to make a contribution in connection with any election for Federal office.

The Nebraska Republican State Leadership Committee solicits prospective members to make a \$2,500 contribution per year which will be divided between the Republican National Committee, the Nebraska Republican Federal Campaign Committee and the Nebraska Republican State Central Committee.

The Nebraska Republican Federal Campaign Committee supports candidates for Federal office and therefore may not be contributed to by corporations even through another Committee such as the Nebraska Republican State Leadership Committee.

00040185366

Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to conduct an investigation and to afford you a reasonable opportunity to demonstrate that no action should be taken. As part of this process, please submit within 10 days of receipt of this letter, any factual or legal materials which you deem relevant to the investigation of this matter. Failure to reply to this letter within 10 days, however, may cause the Commission to take action based upon the information at hand.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you state to the Commission, in writing, that you wish the investigation to be made public. The staff member assigned to this matter is Clare Lindsay (202-523-4040 or toll free 800-424-9530 ext 50).

Sincerely,

William C. Oldaker
General Counsel

80040185367

9/5/78
cl



FEDERAL ELECTION COMMISSION

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

September 6, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Lloyd Herbener
Executive Director
Nebraska Republican Party
Nebraska State Republican Headquarters
212 Anderson Bldg.
Lincoln, NE 68508

Re: MUR 624

Dear Mr. Herbener:

This letter is to notify you that on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Commission has found reason to believe that violations of the Federal Election Campaign Act have occurred in that the Nebraska Republican Party has violated:

I. 2 U.S.C. § 441b in that,

A) the Nebraska Republican State Central Committee deposited into its operating account;

1) contributions from the following entities which have been verified as corporate by the appropriate Secretary of State - Crete Carrier Corp., Buttercup Foods, Inc., United States Checkbook Co., Judds Bros. Construction Co., Hopper Bros. Quarries, Dutton Lainson Co., Southeast Enterprises, Lincoln Plating Co., and Leasco, Inc., Allen Funeral Homes, Michael Albert Inc., and Interiors, Inc.

2) a \$1,000 contribution from First National of Nebraska Inc. which apparently represents a contribution from a national bank.

3) transfers of \$8,985.76 between May 14, 1976 and December 14, 1977 from the State Central Committee's Campaign account which accepts corporate contributions.

4) transfers of \$20,226.00 between September 10, 1976 and May 5, 1978 from the Nebraska Republican State Leadership Committee which accepts

corporate contributions.

B) The Nebraska Republican Federal Campaign Committee accepted;

1) transfers of \$27,980.00 between July 7, 1976 and January 13, 1978 from the State Central Committee's operating account which accepts corporate contributions and transfers containing corporate contributions.

2) transfers of \$19,095.00 between September 24, 1976 and May 5, 1978 from the Nebraska Republican State Leadership Committee which accepts corporate contributions.

C) the Nebraska Republican State Leadership Committee accepted corporate contributions totaling \$7,050.00 from 1976 through 1978 from the United States Checkbook Corporation.

II. 2 U.S.C. §§ 433 and 434 in that,

A) the State Central Committee failed to report certain receipts and expenditures of its operating account in 1976 and all receipts and expenditures of this account in 1977 and 1978.

B) the Nebraska Republican State Leadership Committee failed to register and report any of its activity in 1976, 1977, and 1978.

Under 2 U.S.C. § 431(d) a political committee is any committee, club, association or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000 for the purpose of influencing the nomination for election or the election of any person to Federal office. For purposes of this Section, contributions and expenditures included the receiving and making of transfers. (2 U.S.C. § 431(e)(3) and 2 U.S.C. § 431(f)(3).)

According to these definitions, the Nebraska Republican Federal Campaign Committee, the Nebraska State Leadership Committee and the Nebraska State Central Committee (with respect to the activity of its operating account), each qualify as political committees under the Act for 1976, 1977 and 1978, each having accepted contributions in excess of \$1,000 and having made expenditures in excess of \$1,000 for the purpose of influencing the nomination for election or election of persons to Federal office.

0040185369

Under 2 U.S.C. §§ 433 and 434 each of these committees, having so met the definition of political committees for 1976, 1977, and 1978, was required to register with the Commission and report all receipts and expenditures in accordance with these sections for these three years. Both the Nebraska Republican State Leadership Committee and the Nebraska Republican State Central Committee (with respect to the activity of its operating account,) have failed to do so.

Under 2 U.S.C. § 441b political committees are prohibited from accepting contributions from corporations and labor organizations. For purposes of this Section, "contribution" includes any direct or indirect payment... to any [Federal] candidate, campaign committee, political party or organization...". Aside from the acceptance of direct corporate contributions, the Nebraska Republican State Central Committee (with respect to its operating account,) the Nebraska Republican Federal Campaign Committee and the Nebraska Republican State Leadership Committee may not accept transfers from accounts which contain corporate/labor union funds pursuant to 2 U.S.C. § 441b.

Your attention is also directed to the provisions of the Federal regulations, 11 C.F.R. § 102.6(b). Under these provisions, accounts such as the operating account and committees such as the Nebraska Republican Federal Campaign Committee and the Nebraska Republican State Leadership Committee may not receive contributions other than contributions designated for the Federal committee or account, contributions received as a result of a solicitation which expressly states that the contribution will be used for Federal elections, or contributions from contributors who are informed that all contributions are subject to Federal limitations. These accounts and committees also may not accept transfers from an account or committee established by a State committee, subordinate committee of a State committee, or another political committee except from a committee or account which maintains a separate segregated Federal account or accepts only contributions which are permissible under the Act and whose contributors are informed of the Federal limitations.

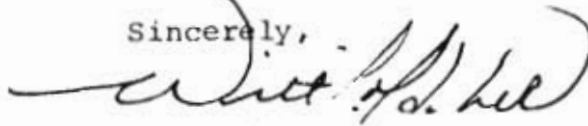
Upon making a determination that there is reason to believe that violations have occurred the Commission is required to make an investigation and to afford you a

0010185370

reasonable opportunity to demonstrate that no action should be taken. As part of this process please submit, within 10 days of receipt of this letter, any factual or legal materials which you deem relevant to the Commission's investigation of this matter.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you state to the Commission in writing, that you wish this investigation to be made public. The staff member from the Office of General Counsel assigned to this matter is Clare Lindsay, (202-523-4042 or toll free 800-429-9530 ext. 50). The auditors with knowledge of this matter are Thomas Nurthen or Ray Lisi, (202-523-4155).

Sincerely,



William C. Oldaker
General Counsel

PS Form 3811 April 1977

1 The following service is requested (check one): <input type="checkbox"/> Show to whom and date delivered <input checked="" type="checkbox"/> Show to whom, date, and address of delivery <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery \$ (CONSULT POSTMASTER FOR FEES)		2 ARTICLE ADDRESSED TO	
3 ARTICLE DESCRIPTION REGISTERED NO. <u>40345</u> CERTIFIED NO. <u>40345</u> INSURED NO.			
(Always obtain signature of addressee or agent)			
I have received the article described above SIGNATURE <u>Clare Lindsay</u> <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent			
4 DATE OF DELIVERY <u>9-8-78</u>	POSTMARK <u>EP</u>		
5 ADDRESS (Complete only if requested) <u>212 Madison Ave</u> <u>6808</u> <u>1078</u>			
6 UNABLE TO DELIVER BECAUSE	CLERK'S INITIALS		

Return Receipt Registered, Insured and Certified Mail

2-749 1977 O 749 595

1 2 3 4 5 6 7 8 9 10 11 12



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Lloyd Herbener
Executive Director
Nebraska Republican Party
Nebraska State Republican Headquarters
212 Anderson Bldg.
Lincoln, NE 68508

Re: MUR 624

Dear Mr. Herbener:

This letter is to notify you that on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Commission has found reason to believe that violations of the Federal Election Campaign Act have occurred in that the Nebraska Republican Party has violated:

I. 2 U.S.C. § 441b in that,

A) the Nebraska Republican State Central Committee deposited into its operating account;

1) contributions from the following entities which have been verified as corporate by the appropriate Secretary of State - Crete Carrier Corp., Buttercup Foods, Inc., United States Checkbook Co., Judds Bros. Construction Co., Hopper Bros. Quarries, Dutton Lainson Co., Southeast Enterprises, Lincoln Plating Co., and Leasco, Inc., Allen Funeral Homes, Michael Albert Inc., and Interiors, Inc.

2) a \$1,000 contribution from First National of Nebraska Inc. which apparently represents a contribution from a national bank.

3) transfers of \$8,985.76 between May 14, 1976 and December 14, 1977 from the State Central Committee's Campaign account which accepts corporate contributions.

4) transfers of \$20,226.00 between September 10, 1976 and May 5, 1978 from the Nebraska Republican State Leadership Committee which accepts

corporate contributions.

B) The Nebraska Republican Federal Campaign Committee accepted;

1) transfers of \$27,980.00 between July 7, 1976 and January 13, 1978 from the State Central Committee's operating account which accepts corporate contributions and transfers containing corporate contributions.

2) transfers of \$19,095.00 between September 24, 1976 and May 5, 1978 from the Nebraska Republican State Leadership Committee which accepts corporate contributions.

C) the Nebraska Republican State Leadership Committee accepted corporate contributions totaling \$7,050.00 from 1976 through 1978 from the United States Checkbook Corporation.

II. 2 U.S.C. §§ 433 and 434 in that,

A) the State Central Committee failed to report certain receipts and expenditures of its operating account in 1976 and all receipts and expenditures of this account in 1977 and 1978.

B) the Nebraska Republican State Leadership Committee failed to register and report any of its activity in 1976, 1977, and 1978.

Under 2 U.S.C. § 431(d) a political committee is any committee, club, association or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000 for the purpose of influencing the nomination for election or the election of any person to Federal office. For purposes of this Section, contributions and expenditures included the receiving and making of transfers. (2 U.S.C. § 431(e)(3) and 2 U.S.C. § 431(f)(3).)

According to these definitions, the Nebraska Republican Federal Campaign Committee, the Nebraska State Leadership Committee and the Nebraska State Central Committee (with respect to the activity of its operating account), each qualify as political committees under the Act for 1976, 1977 and 1978, each having accepted contributions in excess of \$1,000 and having made expenditures in excess of \$1,000 for the purpose of influencing the nomination for election or election of persons to Federal office.

Under 2 U.S.C. §§ 433 and 434 each of these committees, having so met the definition of political committees for 1976, 1977, and 1978, was required to register with the Commission and report all receipts and expenditures in accordance with these sections for these three years. Both the Nebraska Republican State Leadership Committee and the Nebraska Republican State Central Committee (with respect to the activity of its operating account,) have failed to do so.

Under 2 U.S.C. § 441b political committees are prohibited from accepting contributions from corporations and labor organizations. For purposes of this Section, "contribution" includes any direct or indirect payment... to any [Federal] candidate, campaign committee, political party or organization...". Aside from the acceptance of direct corporate contributions, the Nebraska Republican State Central Committee (with respect to its operating account,) the Nebraska Republican Federal Campaign Committee and the Nebraska Republican State Leadership Committee may not accept transfers from accounts which contain corporate/labor union funds pursuant to 2 U.S.C. § 441b.

Your attention is also directed to the provisions of the Federal regulations, 11 C.F.R. § 102.6(b). Under these provisions, accounts such as the operating account and committees such as the Nebraska Republican Federal Campaign Committee and the Nebraska Republican State Leadership Committee may not receive contributions other than contributions designated for the Federal committee or account, contributions received as a result of a solicitation which expressly states that the contribution will be used for Federal elections, or contributions from contributors who are informed that all contributions are subject to Federal limitations. These accounts and committees also may not accept transfers from an account or committee established by a State committee, subordinate committee of a State committee, or another political committee except from a committee or account which maintains a separate segregated Federal account or accepts only contributions which are permissible under the Act and whose contributors are informed of the Federal limitations.

Upon making a determination that there is reason to believe that violations have occurred the Commission is required to make an investigation and to afford you a

reasonable opportunity to demonstrate that no action should be taken. As part of this process please submit, within 10 days of receipt of this letter, any factual or legal materials which you deem relevant to the Commission's investigation of this matter.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you state to the Commission in writing, that you wish this investigation to be made public. The staff member from the Office of General Counsel assigned to this matter is Clare Lindsay, (202-523-4042 or toll free 800-429-9530 ext. 50). The auditors with knowledge of this matter are Thomas Nurthen or Ray Lisi, (202-523-4155).

Sincerely,

William C. Oldaker
General Counsel

el 9/5/78

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

MUR 624(78)

The Nebraska Republican Party;)
The Nebraska Republican State)
Central Committee;)
The Nebraska Republican)
Federal Campaign Committee;)
The Nebraska Republican State)
Leadership Committee;)
The Republican National)
Committee;)
The Tribute to Gerald R. Ford)
Committee;)
The United States Checkbook)
Corporation;)
The First National of)
Nebraska, Inc.;)
The Douglas County Republican)
Party.)

CERTIFICATION

I, Joyce E. Thomann, Recording Secretary to the Federal Election Commission, do hereby certify that on August 30, 1978 by a vote of 6-0, the Commission made the following determinations with regard to the recommendations contained in the First General Counsel's Report which was presented to the Commission for consideration in Executive Session.

TO WIT:

1. TO FIND REASON TO BELIEVE that the Nebraska Republican Party violated 2 U.S.C. §441b in that the Nebraska Republican State Central Committee's operating account accepted corporate contributions, a contribution from a national bank and transfers from the State Central Committee's campaign account and the Nebraska Republican State Leadership Committee; the Nebraska Republican Federal Campaign Committee accepted transfers from the State Central Committee's operating account, and; the Nebraska Republican State Leadership Committee accepted

CONTINUED ON PAGE TWO

001185376

corporate contributions. TO FIND REASON TO BELIEVE that the Nebraska Republican Party violated 2 U.S.C. §§433 and 434 in that the Nebraska Republican State Central Committee failed to report certain receipts and expenditures from the State Central Committee's operating account in 1976 and failed to report any receipts and expenditures from the operating account in 1977 and 1978 and; the Nebraska Republican State Leadership Committee failed to register and report any of its activity in 1976, 1977 and 1978.

2. TO FIND REASON TO BELIEVE that the United States Check-book Corporation violated 2 U.S.C. §441b by making corporate contributions to the Nebraska Republican State Leadership Committee.

3. TO MAKE NO DETERMINATION AT THIS TIME as to whether the Republican National Committee is in violation of 2 U.S.C. §441b by accepting a transfer from the Nebraska Republican State Leadership Committee.

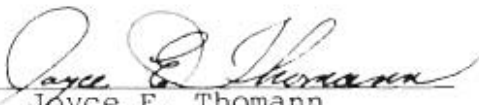
4. TO MAKE NO DETERMINATION AT THIS TIME as to whether the Tribute to Gerald R. Ford Committee is in violation of 2 U.S.C. §441b by accepting a transfer from the Nebraska Republican State Leadership Committee.


5. TO FIND REASON TO BELIEVE that First National of Nebraska, Inc. violated 2 U.S.C. §441b by contributing to the Douglas County Republican Party.

6. TO FIND REASON TO BELIEVE that the Douglas County Republican Party violated 2 U.S.C. §441b by accepting a contribution from First National of Nebraska, Inc.

7. TO SEND LETTERS to the Nebraska Republican Party; the Douglas County Republican Party; the United States Check-book Company; and First National of Nebraska, Inc. notifying them of the determinations made this date.

Commissioners Aikens, Tiernan, Harris, Springer, Staebler, and Thomson present and voting.


Joyce E. Thomann
Recording Secretary


for Marjorie W. Emmons,
Secretary to the Commission

DATED: August 30, 1978

001185377

FEDERAL ELECTION COMMISSION

EXECUTIVE SESSION
August 30, 1978

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO COMMISSION _____

MUR NO. 624
STAFF MEMBER(S) _____

LINDSAY

SOURCE OF MUR: INTERNALLY GENERATED
Nebraska Republican Party: - Nebraska Republican State
RESPONDENT'S NAME: Central Committee, Nebraska Republican Federal Campaign
Committee, Nebraska Republican State Leadership Committee.
Republican National Committee; Tribute to Gerald R. Ford
Committee; United States Checkbook Corp.; First National
RELEVANT STATUTE: of Nebraska, Inc.; Douglas County Republican Party.

2 U.S.C. § 441b, § 433, § 434, § 431, 11 C.F.R. § 102.6

INTERNAL REPORTS CHECKED: Audit Findings (See attached Audit referral)

FEDERAL AGENCIES CHECKED: NONE

GENERATION OF MATTER

This matter arose from findings made by the auditors during the audit of the Nebraska Republican State Central Committee, covering activity during the period January 1, 1976 through April 28, 1978 and the audit of the Nebraska Republican Federal Campaign Committee, covering activity during the period May 27, 1976 through March 31, 1978.

SUMMARY OF ALLEGATIONS

That the Nebraska Republican Party violated 2 U.S.C. § 441b in that: The operating account of the Nebraska Republican State Central Committee received \$8985.76 in transfers from this Committee's campaign account including a contribution from a national bank, \$20,226.00 in transfers from the Nebraska Republican State Leadership Committee, and 12 verified corporate contributions which were directly deposited; The Nebraska Republican Federal Campaign Committee accepted \$29,380.00 in transfers from the State Central Committee's operating account and \$19,095.00 in transfers from the State Leadership Committee and; The Nebraska Republican State Leadership Committee accepted corporate contributions.

That the Nebraska Republican Party violated 2 U.S.C. §§ 433 and 434 in that the State Central Committee's failed to continue to report the activity of its operating account as required, and the State Leadership Committee failed to register and report at all.

That the First National of Nebraska, Inc. contributed to a Douglas County Republican Party fundraiser in violation of 2 U.S.C. § 441b.

That the Douglas County Republican Party accepted a contribution from the First National of Nebraska, Inc. in violation of 2 U.S.C § 441b.

That the United States Checkbook Corp. contributed to the Nebraska Republican State Leadership Committee in violation of 2 U.S.C. § 441b.

That the Republican National Committee and A Tribute to Gerald R. Ford Committee violated 2 U.S.C. § 441b by accepting transfers from the Nebraska Republican State Leadership Committee.

PRELIMINARY LEGAL ANALYSIS

During the course of auditing the Nebraska Republican State Central Committee and the Nebraska Republican Federal Campaign Committee the auditors noted numerous instances of violations of the Federal Election Campaign Act.

Nebraska Republican State Central Committee:

The State Central Committee of the Nebraska Republican Party maintained two checking accounts: the campaign account, a depository for corporate contributions (which are legal in Nebraska for purposes of State elections) and individual contributions, used to support State candidates and; the operating account which was used to support Federal candidates and to pay the operating expenses of the State Central Committee. The operating account's activity was reported from January 1, 1976 through May 31, 1976.

On May 27, 1976 the Nebraska Republican Party registered the Nebraska Republican Federal Campaign Committee presumably to take over the task of supporting Federal candidates from the State Central Committee. As mentioned above the State Central Committee ceased reporting the activity of its operating account about this time.

However, the operating account continued to receive contributions and to receive and make substantial transfers in excess of \$1000 such that it still met the definition of a political committee. 2 U.S.C. § 431d.

Contributions/Transfers received:

1. From May 14, 1976 to December 14, 1977 the operating account received \$8,985.76 from State Central Committee's campaign account (contained corporate funds.)

2. From September 10, 1976 through May 5, 1978 the operating account received \$20,226.00 from the Nebraska Republican State Leadership Committee, (contained corporate funds, see below.)

3. Contributions from 12 entities verified by the auditors as

corporate were received by the State Central Committee and deposited into the operating account. One of these contributions (\$10) was received in February of 1976. The remaining contributions totaling \$1,410 were accepted in 1976 after reporting ceased.

Loans/Transfers made

1. From July 7, 1976 through January 13, 1978, the operating account transferred \$27,980.00 to the Federal Campaign Committee. Of this amount \$19,300.00 was supported by schedules of contributions from individuals, while the remaining \$8,680.00 represented a loan. In each year, 1976 through 1978 this transfer activity from the operating account exceeded \$1,000.

As shown above, the State Central Committee, by virtue of its operating account, functioned as a political committee under 2 U.S.C. § 431d during 1976, 1977 and 1978. However, the State Central Committee failed to report the activity of this account from June 1, 1976 through December 31, 1976 and for all of 1977 and 1978 in violation of 2 U.S.C. §§ 433 and 434.

Additionally, having met the definition of a political committee by virtue of its operating account's activity, the State Central Committee is subject to the provisions of 2 U.S.C. § 441b in regard to its operating account. Under 2 U.S.C. § 441b corporations and labor organizations are prohibited from making a "contribution or expenditure in connection with any [Federal] election...". For purposes of this section "contribution or expenditure" includes "any direct or indirect payment...to any [Federal] candidate, campaign committee or political party or organization...". The accounts such as the campaign account and the Republican State Leadership Committee's account contained monies given by entities which are prohibited by the Act from making contributions. Direct corporate contributions aside, transfers by these accounts could not be lawfully accepted by the State Central Committee for deposit into its operating account because these transfers represented indirect corporate or labor union contributions to a political committee not permitted to accept such contributions.

Nebraska Republican Federal Campaign Committee

As previously mentioned, the Nebraska Republican Party registered the Nebraska Republican Federal Campaign Committee on May 27, 1976 to take over the task of supporting Federal candidates from the State Central Committee (operating account).

Transfers Received:

1. From July 7, 1976 to January 13, 1978 the Federal Campaign Committee received \$27,980.00 from the State Central Committee's operating account (contained corporate funds received directly or through transfers).

2. From September 24, 1976 through May 5, 1978 the Federal Campaign Committee received \$19,095.00 from Republican State Leadership Committee (accepted corporate contributions, see below.)

In the same manner as the State Central Committee (operating account) violated 2 U.S.C. § 441b, so too has the Nebraska State Federal Election Committee violated this Section by accepting these transfers which constitute indirect corporate contributions.

Nebraska Republican State Leadership Committee

In September 1976 the Nebraska Republican Party established the Nebraska Republican State Leadership Committee. This Committee conducted its own solicitations, had its own contribution disbursement plan and made its own contributions and transfers.

This Committee was never registered, nor did it report although it received and expended in excess of \$1000 in connection with Federal elections in 1976, 1977, and 1978. This failure to register and report is in violation of 2 U.S.C. §§ 433 and 434.

Moreover, this Committee accepted 3 contributions totaling \$7,050.00 over 3 years drawn on the United States Checkbook Corporation. This is a violation of 2 U.S.C. § 441b in that the Leadership Committee, which is a political committee under the Act by virtue of its transfers in excess of \$1000 to other political committees, is prohibited under 2 U.S.C. § 441b from accepting corporate contributions.

It should be noted that 11 C.F.R. § 102.6(b) prohibits accounts and committees which make or accept contributions or expenditures on behalf of candidates for Federal office from accepting contributions other than contributions designated for the Federal committee or account, contributions received as a result of a solicitation which expressly states that the contribution will be used for Federal elections, or contributions from contributors who are informed that all contributions are subject to Federal limits. This part of the regulations also prohibits these committees or accounts which support Federal candidates from accepting transfers from committees and accounts which are not registered and reporting Federal committees or accounts or committees and accounts which accept contributions other than those which are permitted under Federal law. Most of the transfers documented in this report were received in violation of 11 C.F.R. § 102.6, however, the Office of General Counsel has not cited these violations in that the regulation became effective after many of the transfers took place and the statute does not clearly proscribe such conduct. In addition, we believe the transfers result in a violation of 2 U.S.C. § 441b because corporate contributions are commingled with permissible contri-

butions.

The United States Checkbook Corporation is also in violation of 2 U.S.C. § 441b for making corporate contributions to the Nebraska Republican State Leadership Committee because the solicitation of the Leadership Committee expressly notifies contributors that a portion of their donation will be directed to the Nebraska Republican Federal Campaign Committee.

The Republican National Committee and the Tribute to the Gerald R. Ford Committee, both political committees under the Act, have violated 2 U.S.C. § 441b by accepting transfers of \$13,785.00 and \$1,000 respectively from the Nebraska Republican State Leadership Committee which contained corporate funds.

The auditors noted during their review of the State Central Committee's campaign account (corporate fund account) that a deposit which was later transferred to the operating account contained an apparent contribution from a national bank for \$1,000. This contribution was collected at a fundraiser sponsored by the Douglas County Republican Party and transmitted to the State Central Committee. The list of contributions accompanying this transfer described the above contribution as from the "First National Bank of Nebraska." A copy of the actual contribution check shows the remitter as First National of Nebraska, Inc. which party officials claim is the bank's holding company.

Under 2 U.S.C. § 441b it is unlawful for any national bank to make a contribution in connection with any election to political office. The Office of General Counsel believes that this contribution gives rise to a suspicion that the contribution was from a national bank. We therefore recommend that the Commission find reason to believe that this contribution was made in violation of 2 U.S.C. § 441b. We also recommend that the Douglas County Republican Party and the Nebraska State Central Committee be found in violation of 2 U.S.C. § 441b for accepting a contribution from a national bank.

RECOMMENDATIONS

1. Find reason to believe the Nebraska Republican Party violated 2 U.S.C. § 441b in that: the Nebraska Republican State Central Committee's operating account accepted corporate contributions, a contribution from a national bank and transfers from the State Central Committee's campaign account and the Nebraska Republican State Leadership Committee; the Nebraska Republican Federal Campaign Committee accepted transfers from the State Central Committee's operating account, and; the Nebraska Republican State Leadership Committee accepted corporate contributions. Find reason to believe the Nebraska Republican Party violated 2 U.S.C. §§ 433 and 434 in that: The State Central Committee failed to report certain receipts and expenditures from the State Central Committee's operating account in 1976 and failed to report any receipts and expenditures from the operating account in 1977 and 1978 and; the Nebraska Republican State Leadership Committee failed to register and report any of its activity in 1976, 1977 and 1978.

2. Find reason to believe the United States Checkbook Corp. violated 2 U.S.C. § 441b by making corporate contributions to the Nebraska Republican State Leadership Committee.
3. Find reason to believe the Republican National Committee violated 2 U.S.C. § 441b by accepting a transfer from the Nebraska Republican State Leadership Committee.
4. Find reason to believe the Tribute to Gerald R. Ford Committee violated 2 U.S.C. § 441b by accepting a transfer from the Nebraska Republican State Leadership Committee.
5. Find reason to believe that First National of Nebraska, Inc. violated 2 U.S.C. § 441b by contributing to the Douglas County Republican Party.
6. Find reason to believe that the Douglas County Republican Party violated 2 U.S.C. § 441b by accepting a contribution from First National of Nebraska, Inc.
7. Send attached letters.



FEDERAL ELECTION COMMISSION

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

June 14, 1978

MEMORANDUM

TO:

BILL OLDAKER

THROUGH:

ORLANDO B. POTTER *OB.P.*

FROM:

RJC BOB COSTA/RAY LISI *R/L*

SUBJECT:

AUDITS OF THE NEBRASKA REPUBLICAN
STATE CENTRAL COMMITTEE AND THE
NEBRASKA REPUBLICAN FEDERAL CAMPAIGN
COMMITTEE (THE COMMITTEES)

During the audits of the above Committees certain matters were noted which are being referred to your office for possible MUR treatment.

A. The audit of the Nebraska Republican State Central Committee (State Central Committee) covered the period January 1, 1976, through May 31, 1976, the final coverage date of the Committee's termination report filed on June 18, 1976. However, due to intra-account and inter-committee transfers, records of the State Central Committee were reviewed through April 28, 1978.

The State Central Committee maintains two (2) major checking accounts, the Nebraska Republican State Central Committee-Campaign Account and the Nebraska Republican State Central Committee-Operating Account. The campaign account was established as a depository for corporate contributions however, some individual contributions are also deposited. The State Central Committee uses the campaign account to support State candidates, hence the activity in this account has never been reported to the Commission. The second account maintained by the State Central Committee is its operating account. The activity in this account was reported through May 31, 1976. This account was used to support Federal candidates and pay general expenses during the period it was registered and subsequently to pay the general operating expenses of the Committees.



0040185385

The Nebraska Republican Party (the Party) registered the Nebraska Republican Federal Campaign Committee (Federal Campaign Committee) on May 27, 1976. With the organization of the Federal Campaign Committee, the State Central Committee (Operating Account) terminated reporting with the Commission. The audit of the Federal Campaign Committee covered the period from its inception through March 31, 1978.

From our review of both Committees records, it was determined that during the period May 14, 1976, through December 14, 1977, the State Central Committee transferred \$8,985.76 from its campaign account (corporate fund account) to its operating account (terminated June 18, 1976).

Additionally, from July 7, 1976, through January 13, 1978, the State Central Committee's operating account (terminated reporting 6/18/76) transferred \$27,980.00 to the Federal Campaign Committee. Party officials have provided schedules of contributions from individuals that they used to support the inter-committee transfers, totaling \$19,300.00. The remaining \$8,680.00 transferred represents a loan to the Federal Campaign Committee.

It was also noted that contributions from 19 business entities were deposited directly into the State Central Committee's operating account. We are in the process of determining if any of the entities are incorporated. However, five (5) of these entities are listed on the deposit tickets with the annotation "Inc. or Corp".

It is our opinion that the inter-committee transfers of \$27,980.00 (State Central Committee's operating account to the Federal Campaign Committee) are in violation of Section 102.6(b) of the Commission's Regulations, since at the time of the transfer, the operating account was not established pursuant to Section 102.6(a)(1)(i) or (ii) as required. Also, since the State Central Committee's operating account had terminated reporting prior to the transfers being made, the State Central Committee is in apparent violation of 2 U.S.C. 433 and 434.

In addition, the receipt of transfers totaling \$8,985.76 by the operating account from the campaign account (corporate fund account) (\$1,400.00 prior to, and \$7,585.76 subsequent to the operating account 6/18 termination) are in apparent violation of Section 102.6(b) of the Commission's Regulations since the campaign account was not established pursuant to Section 102.6(a)(1)(i) or (ii). Prior to June 18, 1976, the operating account was a registered political committee and subsequent to June 18, 1976, due to the transfers mentioned above, it was required to continue reporting although it did not.

Finally, the receipt of 19 possible corporate contributions by the operating account and the transfers received from the campaign account (corporate fund account) appear to represent a violation of 2 U.S.C. 441b(2).

B. In September 1976, the Party established the Nebraska Republican State Leadership Committee. Party officials have stated that the Leadership Committee is used as a conduit (holding account) for the deposit and subsequent transfer of its members' contributions. A requirement for membership in the Leadership Committee is an annual contribution of \$2,500.00. Prospective members are informed that their contributions will be disbursed as follows:

\$1,000 to the Republican National Committee

\$1,000 to the Nebraska Republican Federal Campaign Committee

\$500 to the Nebraska Republican State Central Committee-Operating Account

If prospective members do not agree with the above designation they have the option to direct their contribution elsewhere. If a prospective member/member has previously contributed to a candidate or party during the year, the amount contributed is deductible from his annual Leadership contribution.

Party officials informed us that one (1) member of the Leadership Committee makes his annual contribution by check drawn on a corporation. We determined that this individual has contributed \$7,050.00 over the past three (3) years (76-78). Contributions of \$2,050 and \$2,500 respectively, are annotated on the deposit tickets in the name of the corporation. A third contribution of \$2,500 is annotated on the deposit ticket in the name of the individual contributor. The Committee's bookkeeper stated that all three (3) contributions, received from this individual, were made by checks drawn on the corporation. We have subsequently verified, through the Secretary of State of Nebraska, that the business in question was in fact a corporation registered within the State at the time the contributions were made.

Our review of the committee's records revealed that during the period September 10, 1976, through May 5, 1978, the Leadership Committee made the following transfers:

<u>Transferred To</u>	<u>Amount</u>
Nebraska Republican Federal Campaign Committee	\$19,095.00
Nebraska Republican State Central Committee- Operating Account	20,226.00
Nebraska Republican State Central Committee- Campaign Account	4,500.00
Republican National Committee	13,785.00
Tribute to Gerald R. Ford Committee	1,000.00

The Republican National Committee reported these transfers as being received from the individual contributors. The Tribute to Gerald R. Ford Committee reported its transfer as being received from the Leadership Committee.

The Federal Campaign Committee reported these transfers as follows:

<u>Contribution From</u>	<u>Amount</u>
Individual contributor/From the Nebraska Republican State Leadership Committee	\$ 3,000
Individual contributor (only)	4,500
Leadership Committee (only)	6,960
Incorrectly reported as being received from the State Central Committee	<u>4,010</u>
Total	\$18,470 <u>1/</u>

It is our opinion that the Leadership Committee is either a non-registered political committee, or an account of the Federal Campaign Committee. If the Leadership Committee is actually a non-registered political committee, by expending in excess of \$1,000 in support of Federal candidates, it is in violation of Sections 433 and 434 of Title 2. Since the Leadership Committee has apparently received and accepted prohibited contributions, it is in violation of Section 441b(a) of Title 2, and by receiving contributions other than contributions designated for the Federal committee or account is in violation of Section 102.6(b) of the Commission's Regulations.

1/ The remaining \$625.00 was transferred on May 5, 1978.

If the Leadership Committee is an account of the Federal Campaign Committee, then, it is our opinion that the Federal Campaign Committee has violated Section 434 of Title 2, for failing to report the activity in this account, Section 441b(a) of Title 2 as the Committee has apparently received and accepted prohibited contributions and Section 102.6(b) of the Commission's Regulations by receiving contributions other than contributions designated for the Federal committee or account.

Additionally, the actions of this Committee raise a question of possible earmarking. If the Leadership Committee is in fact a political committee, would the transfers constitute a contribution by both the Leadership Committee and the original contributor pursuant to Section 110.6(d)(2) of the Commission's Regulations which states, in part, if the conduit committee exercises any direction or control over the choice of the recipient candidate, the contribution shall be considered a contribution by both the original contributor and the conduit.

C. Finally, in reviewing the records of the Nebraska Republican State Central Committee's campaign account (corporate fund account), it was determined that a deposit of \$5,706.73, which on the same day (11-25-77) was transferred to this committee's operating account, included an apparent \$1,000 contribution (purchase of dinner tickets) from a national bank.

Committee records indicated that transfers of \$6,585.76 (\$5,706.73 and \$879.03 on 11-25-77 and 12-14-77 respectively) had been received from a county committee, representing proceeds of a fundraiser. The county committee transmitted these funds to the State Central Committee. A listing of contributors, provided by the county committee, supporting the transfers indicated that \$1,000 was from the "First National Bank of Nebraska".

When advised of this matter, Party officials replied that the contribution in question was from the bank's "Holding Company" and, therefore, not a contribution from a national bank. A copy of this check was requested during the exit conference.

On June 12, 1978, a copy of this check was received from the Committee (see Attachments). The contribution was actually made by a cashier's check, drawn on the "First National Bank of Omaha", with the remitter being documented as the "First National of Nebraska, Inc.".

It is our opinion that this contribution is in violation of Section 441b(a) of Title 2, since it is apparent that the contribution was funded by a national bank.

Attachments as stated

0 0 1 2 3 4 5 6 7 8 9



Republican
National
Committee.

Attachment

Wm E. Morrow, Jr.
Attorney for Nebraska
351 - 11th Ave
Lincoln, Nebraska 68131
(402) 441-5421

May 24, 1978

Mr. Lloyd Herbner
Republican State Headquarters
212 Anderson Building
Lincoln, NE

Dear Lloyd:

In accordance with your recent request, I enclose
herewith a photostatic copy of Cashier's Check No. 94646
issued by the First National Bank of Omaha forwarding funds
of First National of Nebraska, Inc. to the Republican Dinner
for Senator Baker.

Very truly yours,

WEM
William E. Morrow, Jr.

WEM/jk
Enc.

00010083390



first national bank
of omaha

27-1
1040

No 94646

REMITTER First National of Nebraska, Inc.

Omaha, Nebr., October 27, 1977

PAY TO THE ORDER OF Republican Dinner Party for Senator Baker

\$ 1,000.00

EXACTLY \$1,000 AND 00/100

DOLLARS

Cashier's Check

AUTHORIZED SIGNATURE

⑈094646⑈ ⑆1040⑈0001⑈

00⑈00512 8⑈

⑈0000100000⑈

1 6 2 5 8 1 0 1 0 0 0

Republican Party
Runner
353-621-1

0040185392

353-621-1



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

William J. McManus, Treasurer
Republican National Committee
310 1st St. S. E.
Washington, DC 20003

Re: MUR 624

Dear Mr. McManus:

This letter is to inform you that on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has determined that it has reason to believe that your committee has violated the Federal Election Campaign Act, as amended ("the Act") in that it accepted transfers totaling \$13,785.00 dated October 1976, August 1977 and March 1978 from the Nebraska Republican State Leadership Committee in violation of 2 U.S.C. § 441b.

Under 2 U.S.C. § 441b it is unlawful for any corporation or labor organization to make contributions or expenditures in connection with any election for Federal office and for any political committee, candidate or other person to accept such a contribution. For purposes of this section, the terms, "contribution" or "expenditure" are defined to include "any direct or indirect payment to any [Federal] candidate, campaign committee or political party or organization....".

The Nebraska Republican State Leadership Committee accepted corporate contributions which were commingled with the funds from which it made transfers to committees such as yours. A transfer from the Leadership Committee could not therefore be accepted by your Committee, which supports Federal candidates, because such a transfer represents an indirect contribution of prohibited funds to Federal candidates.

0040185393

Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action should be taken. As part of this process, please submit within 10 days of receipt of this letter any factual or legal materials which you deem relevant to the investigation of this matter. Failure to reply to this letter within 10 days however may cause the Commission to take action based upon the information at hand.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you state to the Commission, in writing, that you wish the investigation to be made public. The staff member assigned to this matter is Clare Lindsay (202-523-4040 or toll free 800-424-9530 ext. 50).

Sincerely,

William C. Oldaker
General Counsel

00000185394



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John R. Lauritzen, Chairman
First National of Nebraska, Inc.
16th and Dodge
Omaha, NE 68102

Re: MUR 624

Dear Mr. Lauritzen:

This letter is to inform you that on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities the Federal Election Commission has found reason to believe that a violation of the Federal Election Campaign Act, as amended (the "Act"), has occurred in that the First National of Nebraska, Inc. contributed \$1,000 on October 27, 1977 to the Republican Dinner Party for Senator Baker through the Douglas County Republican Party in violation of 2 U.S.C. § 441b. This contribution was recorded as received by the Douglas County Republican Party from the "First National Bank of Nebraska."

Under 2 U.S.C. § 441b, it is unlawful for any national bank to make a contribution or expenditure in connection with any election to any political office.

The Commission has reason to believe that the \$1,000 contribution from First National of Nebraska, Inc., represents a contribution composed of funds from a national bank and is thereby a contribution which is prohibited under the Act in connection with any election to political office whether it be on the local, state or national level.

0047185395

Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action should be taken. As part of this process, please submit within 10 days of receipt of this letter, any factual or legal materials which you deem relevant to the investigation of this matter. Failure to reply to this letter within 10 days however may cause the Commission to take action based upon the information at hand.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you state to the Commission, in writing, that you wish the investigation to be made public. The staff member assigned to this matter is Clare Lindsay (202-523-4040 or toll free 800-424-9530, ext. 50).

Sincerely,

William C. Oldaker
General Counsel

00000185396



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Clifton Batchelder
United States Checkbook Co.
7875 State
Omaha, NE 68152

Re: MUR 624

Dear Mr. Batchelder:

This letter is to notify you that on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that a violation of the Federal Election Campaign Act has occurred in that your company, which has been verified as incorporated by the Nebraska Secretary of State, made contributions in 1976, 1977 and 1978 totaling \$7,050.00 to the Nebraska Republican State Leadership Committee in violation of 2 U.S.C. § 441b.

Under 2 U.S.C. § 441b it is unlawful for any corporation to make a contribution in connection with any election for Federal office.

The Nebraska Republican State Leadership Committee solicits prospective members to make a \$2,500 contribution per year which will be divided between the Republican National Committee, the Nebraska Republican Federal Campaign Committee and the Nebraska Republican State Central Committee.

The Nebraska Republican Federal Campaign Committee supports candidates for Federal office and therefore may not be contributed to by corporations even through another Committee such as the Nebraska Republican State Leadership Committee.

Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to conduct an investigation and to afford you a reasonable opportunity to demonstrate that no action should be taken. As part of this process, please submit within 10 days of receipt of this letter, any factual or legal materials which you deem relevant to the investigation of this matter. Failure to reply to this letter within 10 days, however, may cause the Commission to take action based upon the information at hand.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you state to the Commission, in writing, that you wish the investigation to be made public. The staff member assigned to this matter is Clare Lindsay (202-523-4040 or toll free 800-424-9530 ext 50).

Sincerely,

William C. Oldaker
General Counsel

00113398



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Sherrie Potter, Chairman
Douglas County Republican Party
2611 North 121st
Omaha, NE 68104

Re: MUR 624

Dear Ms. Potter:

This letter is to notify you that on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has determined that it has reason to believe that the Douglas County Republican Party has violated the Federal Election Campaign Act in that it accepted a contribution dated October 27, 1977 for \$1,000 from First National of Nebraska, Inc. made out to the "Republican Dinner Party for Senator Baker". This contribution was recorded as received by the Douglas County Republican Party from the "First National Bank of Nebraska" on a listing of contributors which accompanied a transfer from the Douglas County Republican Party to the Nebraska Republican State Central Committee.

Under 2 U.S.C. § 441b it is unlawful for any national bank to make a contribution or expenditure in connection with any election to any political office or for any political committee or other person to accept such a contribution.

Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action should be taken. As part of this process, please submit within 10 days of receipt of this letter, any factual or legal materials which you deem relevant to the Commission's investigation of this matter. Failure to reply to this letter within 10 days however may cause the Commission to take action based upon the information at hand.

-2-

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you state to the Commission, in writing, that you wish the investigation to be made public. The staff member assigned to this matter is Clare Lindsay (202-523-4040 or toll free 800-424-9530 ext. 50).

Sincerely,

William C. Oldaker
General Counsel

004008:400



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Lloyd Herbener
Executive Director
Nebraska Republican Party
Nebraska State Republican Headquarters
212 Anderson Bldg.
Lincoln, NE 68508

Re: MUR 624

Dear Mr. Herbener:

This letter is to notify you that on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Commission has found reason to believe that violations of the Federal Election Campaign Act have occurred in that the Nebraska Republican Party has violated:

I. 2 U.S.C. § 441b in that,

A) the Nebraska Republican State Central Committee deposited into its operating account;

1) contributions from the following entities which have been verified as corporate by the appropriate Secretary of State - Crete Carrier Corp., Buttercup Foods, Inc., United States Checkbook Co., Judds Bros. Construction Co., Hopper Bros. Quarries, Dutton Lainson Co., Southeast Enterprises, Lincoln Plating Co., and Leasco, Inc., Allen Funeral Homes, Michael Albert Inc., and Interiors, Inc.

2) a \$1,000 contribution from First National of Nebraska Inc. which apparently represents a contribution from a national bank.

3) transfers of \$8,985.76 between May 14, 1976 and December 14, 1977 from the State Central Committee's Campaign account which accepts corporate contributions.

4) transfers of \$20,226.00 between September 10, 1976 and May 5, 1978 from the Nebraska Republican State Leadership Committee which accepts

corporate contributions.

B) The Nebraska Republican Federal Campaign Committee accepted;

1) transfers of \$27,980.00 between July 7, 1976 and January 13, 1978 from the State Central Committee's operating account which accepts corporate contributions and transfers containing corporate contributions.

2) transfers of \$19,095.00 between September 24, 1976 and May 5, 1978 from the Nebraska Republican State Leadership Committee which accepts corporate contributions.

C) the Nebraska Republican State Leadership Committee accepted corporate contributions totaling \$7,050.00 from 1976 through 1978 from the United States Checkbook Corporation.

II. 2 U.S.C. §§ 433 and 434 in that,

A) the State Central Committee failed to report certain receipts and expenditures of its operating account in 1976 and all receipts and expenditures of this account in 1977 and 1978.

B) the Nebraska Republican State Leadership Committee failed to register and report any of its activity in 1976, 1977, and 1978.

Under 2 U.S.C. § 431(d) a political committee is any committee, club, association or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000. For purposes of this Section, contributions and expenditures included the receiving and making of transfers. (2 U.S.C. § 431(e)(3) and 2 U.S.C. § 431 (f)(3).)

According to these definitions, the Nebraska Republican Federal Campaign Committee, the Nebraska State Leadership Committee and the Nebraska State Central Committee (with respect to the activity of its operating account), each qualify as political committees under the Act for 1976, 1977 and 1978, each having accepted contributions in excess of \$1,000 and having made expenditures in excess of \$1,000 for the purpose of influencing the nomination for election or election of persons to Federal office.

001183402

Under 2 U.S.C. §§ 433 and 434 each of these committees, having so met the definition of political committees for 1976, 1977, and 1978, was required to register with the Commission and report all receipts and expenditures in accordance with these sections for these three years. Both the Nebraska Republican State Leadership Committee and the Nebraska Republican State Central Committee (with respect to the activity of its operating account,) have failed to do so.

Under 2 U.S.C. § 441b political committees are prohibited from accepting contributions from corporations and labor organizations. For purposes of this Section, "contribution" includes any direct or indirect payment... to any [Federal] candidate, campaign committee, political party or organization...". Aside from the acceptance of direct corporate contributions, the Nebraska Republican State Central Committee (with respect to its operating account,) the Nebraska Republican Federal Campaign Committee and the Nebraska Republican State Leadership Committee may not accept transfers from accounts which contain corporate/labor union funds pursuant to 2 U.S.C. § 441b.

Your attention is also directed to the provisions of the Federal regulations, 11 C.F.R. § 102.6(b). Under these provisions, accounts such as the operating account and committees such as the Nebraska Republican Federal Campaign Committee and the Nebraska Republican State Leadership Committee may not receive contributions other than contributions designated for the Federal committee or account, contributions received as a result of a solicitation which expressly states that the contribution will be used for Federal elections, or contributions from contributors who are informed that all contributions are subject to Federal limitations. These accounts and committees also may not accept transfers from an account or committee established by a State committee, subordinate committee of a State committee, or another political committee except from a committee or account which maintains a separate segregated Federal account or accepts only contributions which are permissible under the Act and whose contributors are informed of the Federal limitations.

Upon making a determination that there is reason to believe that violations have occurred the Commission is required to make an investigation and to afford you a

reasonable opportunity to demonstrate that no action should be taken. As part of this process please submit, within 10 days of receipt of this letter, any factual or legal materials which you deem relevant to the Commission's investigation of this matter.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you state to the Commission in writing, that you wish this investigation to be made public. The staff member from the Office of General Counsel assigned to this matter is Clare Lindsay, (202-523-4042 or toll free 800-429-9530 ext. 50). The auditors with knowledge of this matter are Thomas Nurthen or Ray Lisi, (202-523-4155).

Sincerely,

William C. Oldaker
General Counsel

0017185404



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Wyatt A. Stewart, III, Treasurer
A Tribute to Gerald R. Ford Committee
310 First St., N.E.
Washington, DC 20003

Re: MUR 624

Dear Mr. Stewart:

This letter is to notify you that on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has determined that it has reason to believe that your committee has violated the Federal Election Campaign Act, as amended ("the Act"), in that it accepted a transfer of \$1000 dated May 4, 1977 from the Nebraska Republican State Leadership Committee in violation of 2 U.S.C. §441b.

Under 2 U.S.C. §441b it is unlawful for any corporation or labor organization to make contributions or expenditures in connection with any election for Federal office and for any political committee, candidate or other person to accept such a contribution. For purposes of this Section, the terms "contribution" or "expenditure" are defined to include "any direct or indirect payment of any [Federal] candidate, campaign committee, or political party or organization...".

The Nebraska Republican State Leadership Committee accepted corporate contributions which were commingled with the funds from which it made transfers to committees such as yours. A transfer from the Leadership Committee could therefore not be accepted by a committee such as yours which supported a Federal candidate, because such a transfer represents an indirect contribution of prohibited funds to a Federal candidate.



Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action should be taken. As part of this process, please submit, within 10 days of receipt of this letter, any factual or legal materials which you deem relevant to the investigation of this matter. Failure to reply to this letter within 10 days, however, may cause the Commission to take action based upon the information at hand.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you state to the Commission, in writing, that you wish the investigation to be made public. The staff member assigned to this matter is Clare Lindsay (202-523-4040 or toll free 800-424-9530 ext. 50).

Sincerely,

William C. Oldaker
General Counsel

0010085406



FEDERAL ELECTION COMMISSION

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

June 14, 1978

MEMORANDUM

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER *OBP.*

FROM: *RJC* BOB COSTA/RAY LISI *RJL*

SUBJECT: AUDITS OF THE NEBRASKA REPUBLICAN
STATE CENTRAL COMMITTEE AND THE
NEBRASKA REPUBLICAN FEDERAL CAMPAIGN
COMMITTEE (THE COMMITTEES)

During the audits of the above Committees certain matters were noted which are being referred to your office for possible MUR treatment.

A. The audit of the Nebraska Republican State Central Committee (State Central Committee) covered the period January 1, 1976, through May 31, 1976, the final coverage date of the Committee's termination report filed on June 18, 1976. However, due to intra-account and inter-committee transfers, records of the State Central Committee were reviewed through April 28, 1978.

The State Central Committee maintains two (2) major checking accounts, the Nebraska Republican State Central Committee-Campaign Account and the Nebraska Republican State Central Committee-Operating Account. The campaign account was established as a depository for corporate contributions however, some individual contributions are also deposited. The State Central Committee uses the campaign account to support State candidates, hence the activity in this account has never been reported to the Commission. The second account maintained by the State Central Committee is its operating account. The activity in this account was reported through May 31, 1976. This account was used to support Federal candidates and pay general expenses during the period it was registered and subsequently to pay the general operating expenses of the Committees.



3
4
0
8
1
0
0

The Nebraska Republican Party (the Party) registered the Nebraska Republican Federal Campaign Committee (Federal Campaign Committee) on May 27, 1976. With the organization of the Federal Campaign Committee, the State Central Committee (Operating Account) terminated reporting with the Commission. The audit of the Federal Campaign Committee covered the period from its inception through March 31, 1978.

From our review of both Committees records, it was determined that during the period May 14, 1976, through December 14, 1977, the State Central Committee transferred \$8,985.76 from its campaign account (corporate fund account) to its operating account (terminated June 18, 1976).

Additionally, from July 7, 1976, through January 13, 1978, the State Central Committee's operating account (terminated reporting 6/18/76) transferred \$27,980.00 to the Federal Campaign Committee. Party officials have provided schedules of contributions from individuals that they used to support the inter-committee transfers, totaling \$19,300.00. The remaining \$8,680.00 transferred represents a loan to the Federal Campaign Committee.

It was also noted that contributions from 19 business entities were deposited directly into the State Central Committee's operating account. We are in the process of determining if any of the entities are incorporated. However, five (5) of these entities are listed on the deposit tickets with the annotation "Inc. or Corp".

It is our opinion that the inter-committee transfers of \$27,980.00 (State Central Committee's operating account to the Federal Campaign Committee) are in violation of Section 102.6(b) of the Commission's Regulations, since at the time of the transfer, the operating account was not established pursuant to Section 102.6(a)(1)(i) or (ii) as required. Also, since the State Central Committee's operating account had terminated reporting prior to the transfers being made, the State Central Committee is in apparent violation of 2 U.S.C. 433 and 434.

In addition, the receipt of transfers totaling \$8,985.76 by the operating account from the campaign account (corporate fund account) (\$1,400.00 prior to, and \$7,585.76 subsequent to the operating account 6/18 termination) are in apparent violation of Section 102.6(b) of the Commission's Regulations since the campaign account was not established pursuant to Section 102.6(a)(1)(i) or (ii). Prior to June 18, 1976, the operating account was a registered political committee and subsequent to June 18, 1976, due to the transfers mentioned above, it was required to continue reporting although it did not.

Finally, the receipt of 19 possible corporate contributions by the operating account and the transfers received from the campaign account (corporate fund account) appear to represent a violation of 2 U.S.C. 441b(2).

B. In September 1976, the Party established the Nebraska Republican State Leadership Committee. Party officials have stated that the Leadership Committee is used as a conduit (holding account) for the deposit and subsequent transfer of its members' contributions. A requirement for membership in the Leadership Committee is an annual contribution of \$2,500.00. Prospective members are informed that their contributions will be disbursed as follows:

\$1,000 to the Republican National Committee

\$1,000 to the Nebraska Republican Federal Campaign Committee

\$500 to the Nebraska Republican State Central Committee-Operating Account

If prospective members do not agree with the above designation they have the option to direct their contribution elsewhere. If a prospective member/member has previously contributed to a candidate or party during the year, the amount contributed is deductible from his annual Leadership contribution.

Party officials informed us that one (1) member of the Leadership Committee makes his annual contribution by check drawn on a corporation. We determined that this individual has contributed \$7,050.00 over the past three (3) years (76-78). Contributions of \$2,050 and \$2,500 respectively, are annotated on the deposit tickets in the name of the corporation. A third contribution of \$2,500 is annotated on the deposit ticket in the name of the individual contributor. The Committee's bookkeeper stated that all three (3) contributions, received from this individual, were made by checks drawn on the corporation. We have subsequently verified, through the Secretary of State of Nebraska, that the business in question was in fact a corporation registered within the State at the time the contributions were made.

Our review of the committee's records revealed that during the period September 10, 1976, through May 5, 1978, the Leadership Committee made the following transfers:

<u>Transferred To</u>	<u>Amount</u>
Nebraska Republican Federal Campaign Committee	\$19,095.00
Nebraska Republican State Central Committee- Operating Account	20,226.00
Nebraska Republican State Central Committee- Campaign Account	4,500.00
Republican National Committee	13,785.00
Tribute to Gerald R. Ford Committee	1,000.00

The Republican National Committee reported these transfers as being received from the individual contributors. The Tribute to Gerald R. Ford Committee reported its transfer as being received from the Leadership Committee.

The Federal Campaign Committee reported these transfers as follows:

<u>Contribution From</u>	<u>Amount</u>
Individual contributor/From the Nebraska Republican State Leadership Committee	\$ 3,000
Individual contributor (only)	4,500
Leadership Committee (only)	6,960
Incorrectly reported as being received from the State Central Committee	<u>4,010</u>
Total	\$18,470 <u>1/</u>

It is our opinion that the Leadership Committee is either a non-registered political committee, or an account of the Federal Campaign Committee. If the Leadership Committee is actually a non-registered political committee, by expending in excess of \$1,000 in support of Federal candidates, it is in violation of Sections 433 and 434 of Title 2. Since the Leadership Committee has apparently received and accepted prohibited contributions, it is in violation of Section 441b(a) of Title 2, and by receiving contributions other than contributions designated for the Federal committee or account is in violation of Section 102.6(b) of the Commission's Regulations.

1/ The remaining \$625.00 was transferred on May 5, 1978.

0040185410

If the Leadership Committee is an account of the Federal Campaign Committee, then, it is our opinion that the Federal Campaign Committee has violated Section 434 of Title 2, for failing to report the activity in this account, Section 441b(a) of Title 2 as the Committee has apparently received and accepted prohibited contributions and Section 102.6(b) of the Commission's Regulations by receiving contributions other than contributions designated for the Federal committee or account.

Additionally, the actions of this Committee raise a question of possible earmarking. If the Leadership Committee is in fact a political committee, would the transfers constitute a contribution by both the Leadership Committee and the original contributor pursuant to Section 110.6(d)(2) of the Commission's Regulations which states, in part, if the conduit committee exercises any direction or control over the choice of the recipient candidate, the contribution shall be considered a contribution by both the original contributor and the conduit.

C. Finally, in reviewing the records of the Nebraska Republican State Central Committee's campaign account (corporate fund account), it was determined that a deposit of \$5,706.73, which on the same day (11-25-77) was transferred to this committee's operating account, included an apparent \$1,000 contribution (purchase of dinner tickets) from a national bank.

Committee records indicated that transfers of \$6,585.76 (\$5,706.73 and \$879.03 on 11-25-77 and 12-14-77 respectively) had been received from a county committee, representing proceeds of a fundraiser. The county committee transmitted these funds to the State Central Committee. A listing of contributors, provided by the county committee, supporting the transfers indicated that \$1,000 was from the "First National Bank of Nebraska".

When advised of this matter, Party officials replied that the contribution in question was from the bank's "Holding Company" and, therefore, not a contribution from a national bank. A copy of this check was requested during the exit conference.

On June 12, 1978, a copy of this check was received from the Committee (see Attachments). The contribution was actually made by a cashier's check, drawn on the "First National Bank of Omaha", with the remitter being documented as the "First National of Nebraska, Inc.".

It is our opinion that this contribution is in violation of Section 441b(a) of Title 2, since it is apparent that the contribution was funded by a national bank.

Attachments as stated

0019185412



Republican
National
Committee.

Wm. E. Morrow, Jr.
Member for Nebraska
3531 Harney
Omaha, Nebraska 68131
(402) 441-5421

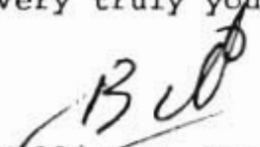
May 24, 1978

Mr. Lloyd Herbner
Republican State Headquarters
212 Anderson Building
Lincoln, NE

Dear Lloyd:

In accordance with your recent request, I enclose herewith a photostatic copy of Cashier's Check No. 94646 issued by the First National Bank of Omaha forwarding funds of First National of Nebraska, Inc. to the Republican Dinner for Senator Baker.

Very truly yours,


William E. Morrow, Jr.

WEM/jk
Enc.

0040185413

Attachment



first national bank
of omaha

27-1
1040

Nº 94646

REMITTER First National of Nebraska, Inc.

Omaha, Nebr., October 27, 1977

PAY TO THE ORDER OF Republican Dinner Party for Senator Baker

\$ 1,000.00

EXACTLY ONE THOUSAND

DOLLARS

Cashier's Check

AUTHORIZED SIGNATURE

⑈094646⑈ ⑆1040⑈0001⑈

00⑈00512 8⑈

⑈0000100000⑈

0040185414

Republican Party
Runner
353-621-1

0000185415

0000185415



FEDERAL ELECTION COMMISSION

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

AUDIT TEAM

MEMORANDUM

TO: William C. Oldaker
FROM: Ken A. Gross
DATE: 6/28/74
RE: Assignment of new MUR

Nebraska Republican State Central
Committee

The attached matter transmitted from audit
should be assigned a MUR # and handled accordingly.

Assign to:

Clare Lindsay

0000135416



FEDERAL ELECTION COMMISSION

105 K STREET NW
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 624

Date Filmed 5/15/80 Camera No. --- 2

Cameraman bpc