



FEDERAL ELECTION COMMISSION

1100 K STREET NW
WASHINGTON, DC 20463

THIS IS THE END OF PUR # 951

Date Filled 2/26/80 Camera No. --- 2

Candidate G.P.C.



FEDERAL ELECTION COMMISSION

1125 K STREET, N.W.
WASHINGTON, D.C. 20543

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/MARGARET CHANEY *ml*

DATE: FEBRUARY 14, 1980

SUBJECT: Memorandum to the Commission, dated
2-11-80, "MUR 951 - Clerical Errors
Noted:" Received in OCS 2-12-80, 1:58

The above-named document was circulated on a 24-hour no-objection basis at 11:00, February 13, 1980.

There were no objections to the recommended corrections to the General Counsel's Report signed on January 3, 1980 and the Certification of Approval covering that report.

Attached is a replacement Page 1 of the Certification of Approval on MUR 951 changing the word "Candidates" to "Campaign" in Recommendation No. 2.

ATTACHMENT:
Replacement - Original Page 1
of Certification

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	MUR 951
Idaho Republican Congressional)	
Campaign Committee)	
Idaho Republican State Central)	
Committee)	
Moscow Vision Clinic, P.A.)	
Stoddard Transfer and Fuel)	
Ratliff Realty)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on January 8, 1980 the Commission decided by a vote of 5-0 to take the following actions regarding the above-captioned matter:

1. Take no further action against the Idaho Republican State Central Committee regarding violations of 2 U.S.C. §§ 433, 434, and 441b.
2. Take no further action against the Idaho Republican Congressional Campaign Committee regarding violation of 2 U.S.C. § 441b.
3. Find NO REASONABLE CAUSE TO BELIEVE that Moscow Vision Clinic violated 2 U.S.C. § 441b.
4. Take no further action against Stoddard Transfer and Fuel regarding a violation of 2 U.S.C. § 441b.
5. Take no further action against Ratliff Realty regarding a violation of 2 U.S.C. § 441b.

(Continued)

February 12, 1980

MEMORANDUM TO: Marjorie W. Limmons
FROM: Elissa T. Garr
SUBJECT: FUR 951

Please have the attached Memo distributed to the
Commission on a 24 hour noobjection basis.

Thank you.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20541

February 11, 1980

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele *CN*
General Counsel

SUBJECT: MUR 951 - Clerical Errors Noted

The following errors were noted on reports and statements on permanent record at the Federal Election Commission with regard to MUR 951. Please note these errors and make the necessary corrections for your record.

<u>DOCUMENT</u>	<u>ERROR</u>	<u>CORRECTION</u>
1) General Counsel's Report signed on 1/3/80	Under Recommendations, See Number 2: reference to the Idaho Republican Congressional Campaign Committee Candidates Committee	This should read: Idaho Republican Congressional Campaign Committee
2) Certification signed on 1/8/80	Same as above	Same as above

Recommendation

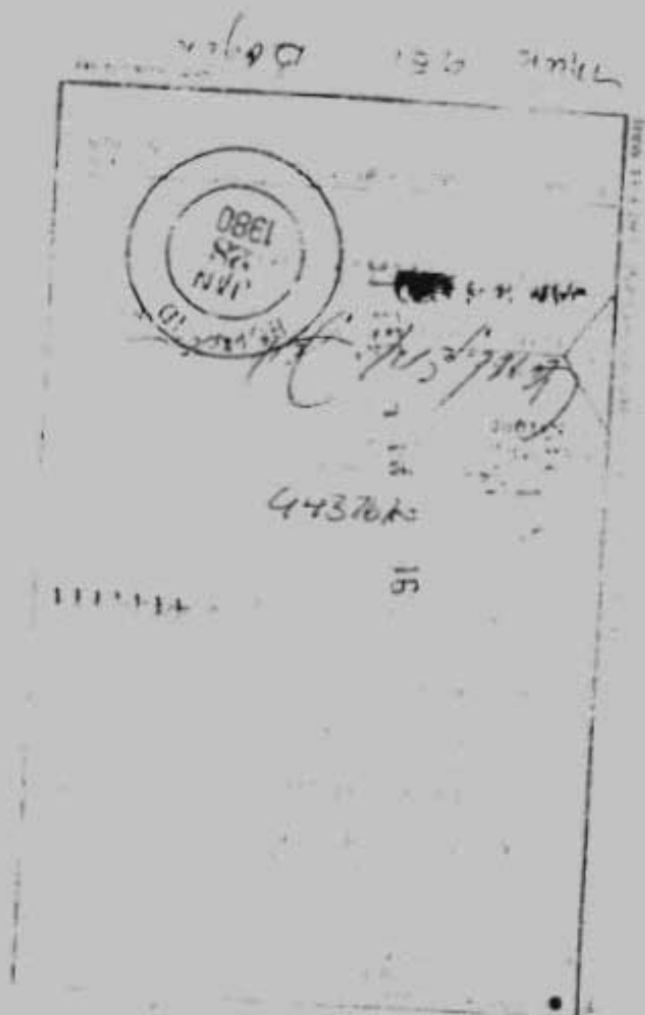
Instruct the Commission's Secretary to make the necessary corrections.

MEMORANDUM

TO: THE FILE
THROUGH: Elissa Garr
FROM: Beverly Brown
RE: MUR: 951 - Letter to
Mr. James V. Ratliff

A typographical error was noted on the letter sent to the attention of Mr. James V. Ratliff. The letter, as it was sent, gives reference to MUR 941. This should have read "MUR 951".

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ARTICLE ADDRESSED TO

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1980

POSTMARK

ADDRESS COMPANYITY REQUEST

UNABLE TO DELIVER BECAUSE

CLERK'S INITIALS

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• **REGISTER** Complete items 1, 2, and 3.
 List item address in the "RETURN TO" space on reverse.

The following service is requested (check one):
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☒ **REGISTERED DELIVERY**
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 (CONSULT POSTMASTER FOR FEES)

ARTICLE ADDRESSED TO

ARTICLE DESCRIPTION
 REGISTERED NO. _____ CERTIFIED NO. 443768 INSURED NO. _____
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SENDER'S INITIALS _____

12/16/78 L. M. J.

09018

FEDERAL ELECTION COMMISSION

Internal Document: Commissioner Tiernan's comments on 6/11/79
regarding MUR 951

Internal Document: Commissioner Reiche's comments on 1/18/80
regarding MUR 951

Duplicate letters of 1/25/80 to: Harold Damiano, James V. Ratliff,
Dennis M. Olsen and William B. Durban

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

- | | |
|--|---|
| <input type="checkbox"/> (1) Classified Information | <input type="checkbox"/> (6) Personal privacy |
| <input type="checkbox"/> (2) Internal rules and practices | <input type="checkbox"/> (7) Investigatory files |
| <input type="checkbox"/> (3) Exempted by other statute | <input type="checkbox"/> (8) Banking Information |
| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> (9) Well Information (geographic or geophysical) |
| <input checked="" type="checkbox"/> (5) Internal Documents | <input checked="" type="checkbox"/> (10) Duplicates |

Signed Beverly B Brown
date 1/30/80



FEDERAL ELECTION COMMISSION

1100 K STREET, N.W.
WASHINGTON, D.C. 20061

January 25, 1980

CERTIFIED MAIL,
RETURN RECEIPT REQUESTED

William B. Durban, M.D.
Moscow Vision Clinic
604 S. Washington
Moscow, Idaho 83843

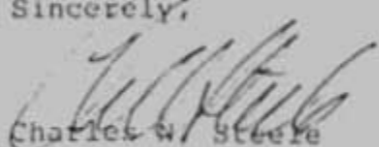
Re: MUR 951

Dear Mr. Durban:

This is to confirm our receipt of your letter dated July 13, 1979, in connection with the Commission's investigation in the above-captioned matter. After considering the information you provided and other evidence available, the Commission determined on January 8, 1980, that there was no reasonable cause to believe that Moscow Vision Clinic violated § 441b of the Act. Accordingly, the Commission has closed its file on this matter.

Should you have any questions, please contact Beverly Brown at (202) 523-4529.

Sincerely,


Charles W. Steele
General Counsel



FEDERAL ELECTION COMMISSION

1105 K STREET N.W.
WASHINGTON, D.C. 20041

January 25, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Dennis M. Olsen
State Chairman
Idaho Republican Congressional
Campaign Committee
Idaho Republican State Central
Committee
Simplot Building
805 Idaho Street, Suite 213
Boise, Idaho 83701

Re: MUR 951

Dear Mr. Olsen:

An investigation undertaken by the Federal Election Commission indicates that the Idaho Republican Congressional Campaign Committee ("CCC") (a federal committee) and the Idaho Republican State Central Committee ("SCC") (an un-registered state party committee) took actions in 1976 which were in violation of §§ 433, 434, and 441b of the Federal Election Campaign Act of 1971, as amended ("the Act").

Specifically, it appears that the Idaho Republican State Central Committee ("SCC") violated 2 U.S.C. §§ 433 and 434 when, after making contributions and expenditures in excess of \$1,000 for purposes of influencing federal elections, it failed to register and report as a political committee in 1976.

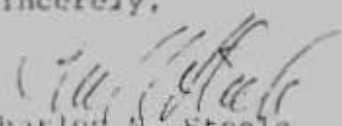
In addition, it appears that the Idaho Republican Congressional Campaign Committee ("CCC") violated 2 U.S.C. § 441b. This provision makes it unlawful for any political committee to accept corporate contributions for purposes of influencing federal elections.

Mr. Dennis M. Olsen
Page Two

The Commission's investigation revealed that the CCC accepted a transfer of 20% of their Idaho tax check off funds from its state account containing corporate funds. Also, the CCC accepted corporate contributions from Ratliff Realty and Stoddard Transfer and Fuel in violation of 2 U.S.C. § 441b.

However, in view of the SCC's voluntary compliance in requesting reimbursement from the CCC and Congressional candidates for expenditures made on their behalf, the CCC's proven attempt to use corrective measures to alleviate the possibility of accepting corporate funds and the fact that technical violations occurred in 1976 at a time when committees were attempting to learn the complexities of the law, the Commission has determined to take no further action against you.

Sincerely,


Charles N. Steele
General Counsel



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20463

January 25, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. James V. Ratliff
Ratliff Realty
2625 Government Way
Coeur d'Alene, Idaho 83814

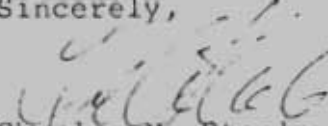
RE: MUR 941

Dear Mr. Ratliff:

An investigation undertaken by the Federal Election Commission indicates that in June 1976 Ratliff Realty made a corporate contribution to the Idaho Republican Congressional Campaign Committee in violation of § 441b of the Federal Election Campaign Act of 1971, as amended. This provision of the Act makes it unlawful for any corporation to make a contribution or expenditure for purposes of influencing federal elections.

However, in view of the fact that this transaction occurred in 1976 and that the Idaho Republican Congressional Committee is no longer in existence, the Commission has determined that it will take no further action against you.

Sincerely,


Charles W. Steele
General Counsel



FEDERAL ELECTION COMMISSION

1100 K STREET NW
WASHINGTON, DC 20543

January 25, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Harold L. Damiano
Stoddard Transfer and Fuel
218 Lakeside Avenue
Post Office Box 970
Coeur d'Alene, Idaho 83814

Re: MUR 951

Dear Mr. Damiano:

An investigation undertaken by the Federal Election Commission indicates that in June 1976 Stoddard Transfer and Fuel made a corporate contribution to the Idaho Republican Congressional Campaign Committee in violation of § 441b of the Federal Election Campaign Act of 1971, as amended. This provision of the Act makes it unlawful for any corporation to make a contribution or expenditure for purposes of influencing federal elections.

However, in view of the fact that this contribution was refunded and replaced by personal check, the Commission has determined that it will take no further action against you.

Sincerely,

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

Charles N. Steele
General Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Idaho Republican Congressional)
Campaign Committee)
Idaho Republican State Central)
Committee)
Moscow Vision Clinic, P. A.)
Stoddard Transfer and Fuel)
Ratliff Realty)

MUR 951

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission's January 22, 1980 Executive Session, do hereby certify that the Commission determined by a vote of 6-0 to approve the sending of the four draft letters attached to the General Counsel's January 15, 1980 report in the above-captioned matter, subject to amendment of the letters to Mr. Dennis Olsen, Mr. James V. Ratliff, and Mr. Harold L. Damiano by deletion of the last sentence in each of those letters.

Attest:

1-22-80

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission



FEDERAL ELECTION COMMISSION

1125 K STREET, N.W.
WASHINGTON, D.C. 20541

MEMORANDUM TO: CHARLES STEELE *CS*
FROM: MARJORIE W. EMMONS/MARGARET CHANEY *me*
DATE: JANUARY 17, 1980
SUBJECT: MUR 951 - Memorandum to the Commission dated
January 15, 1980; Received in OCS
1-15-80, 4:47

The above-named document was circulated on a 24 hour no-objection basis at 11:00, January 16, 1980.

Commissioner Friedersdorf submitted an objection at 11:21, January 17, 1980, thereby placing MUR 951 on the Executive Session Agenda for Tuesday, January 22, 1980.

January 15, 1989

MEMORANDUM TO: Marjorie W. Immons

FROM: Elissa T. Garr

SUBJECT: MUR 951

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

Thank you.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

30 JAN 15 P 4: 47

January 15, 1980

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele *CS*
General Counsel

RE: MUR 951

On January 8, 1980, the resolution to MUR 951 was passed by a vote of 5-0. However, Commissioner Reiche has requested that the letters to the respondents be redrafted to include a discussion of the violations and the Commission's determination as to why no further action should be taken. Attached are the redrafted letters which are being circulated on a 24 hour no-objection basis.

Attachments: 4 Letters



FEDERAL ELECTION COMMISSION

1200 K STREET, N.W.
WASHINGTON, D.C. 20541

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

William B. Durban, M.D.
Moscow Vision Clinic
604 S. Washington
Moscow, Idaho 83843

Re: MUR 951

Dear Mr. Durban:

This is to confirm our receipt of your letter dated July 13, 1979, in connection with the Commission's investigation in the above-captioned matter. After considering the information you provided and other evidence available, the Commission determined on January 10, 1980, that there was no reasonable cause to believe that Moscow Vision Clinic violated § 441b of the Act. Accordingly, the Commission has closed its file on this matter.

Should you have any questions, please contact Beverly Brown at (202) 523-4529.

Sincerely,

Charles N. Steele
General Counsel



FEDERAL ELECTION COMMISSION

1125 K STREET, N.W.
WASHINGTON, D.C. 20541

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Dennis M. Olsen
State Chairman
Idaho Republican Congressional
Campaign Committee
Idaho Republican State Central
Committee
Simplot Building
805 Idaho Street, Suite 213
Boise, Idaho 83701

Re: MUR 951

Dear Mr. Olsen:

An investigation undertaken by the Federal Election Commission indicates that the Idaho Republican Congressional Campaign Committee ("CCC") (a federal committee) and the Idaho Republican State Central Committee ("SCC") (an unregistered state party committee) took actions in 1976 which were in violation of §§ 433, 434, and 441b of the Federal Election Campaign Act of 1971, as amended ("the Act").

Specifically, it appears that the Idaho Republican State Central Committee ("SCC") violated 2 U.S.C. §§ 433 and 434 when, after making contributions and expenditures in excess of \$1,000 for purposes of influencing federal elections, it failed to register and report as a political committee in 1976.

In addition, it appears that the Idaho Republican Congressional Campaign Committee ("CCC") violated 2 U.S.C. § 441b. This provision makes it unlawful for any political committee to accept corporate contributions for purposes of influencing federal elections.

Mr. Dennis M. Olsen
Page Two

The Commission's investigation revealed that the CCC accepted a transfer of 20% of their Idaho tax check off funds from its state account containing corporate funds. Also, the CCC accepted corporate contributions from Ratliff Realty and Stoddard Transfer and Fuel in violation of 2 U.S.C. §441b.

However, in view of the SCC's voluntary compliance in requesting reimbursement from the CCC and Congressional candidates for expenditures made on their behalf, the CCC's proven attempt to use corrective measures to alleviate the possibility of accepting corporate funds and the fact that technical violations occurred in 1976 at a time when committees were attempting to learn the complexities of the law, the Commission has determined to take no further action against you. This letter is to put you on notice that you have apparently acted in violation of the Federal Election Campaign Act and that you should be careful to abide by the provisions in order to avoid future Commission proceedings against you.

Sincerely,

Charles N. Steele
General Counsel



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, DC 20541

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. James V. Ratliff
Treasurer
Ratliff Realty
2625 Government Way
Coeur d'Alene, Idaho 83814

Re: MUR 951

Dear Mr. Ratliff:

An investigation undertaken by the Federal Election Commission indicates that in June 1976 Ratliff Realty made a corporate contribution to the Idaho Republican Congressional Candidates Committee (a Federal committee) in violation of Section 441b of the Federal Election Campaign Act of 1971, as amended. This provision makes it unlawful for any corporation to make a contribution or expenditure for purposes of influencing Federal elections.

However, in view of the fact that this transaction occurred in 1976 and that the Idaho Republican Congressional Candidates Committee is no longer in existence, the Commission has decided to take no further action against you. This letter is to put you on notice that you have apparently acted in violation of the Federal Election Campaign Act and that you should be careful to abide by the provisions of the Act in order to avoid future Commission proceedings against you.

Sincerely,

Charles N. Steele
General Counsel



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Harold L. Damiano
Stoddard Transfer and Fuel
218 Lakeside Avenue
Post Office Box 970
Coeur d'Alene, Idaho 83814

Re: MUR 951

Dear Mr. Damiano:

An investigation undertaken by the Federal Election Commission indicates that in June 1976 Stoddard Transfer and Fuel made a corporate contribution to the Idaho Republican Congressional Candidates Committee in violation of section 441b of the Federal Election Campaign Act of 1971, as amended. This provision of the Act makes it unlawful for any corporation to make a contribution or expenditure for purposes of influencing Federal elections.

However, in view of the fact that this contribution was refunded and replaced by personal check, the Commission has determined that it will take no further action against you. This letter is to put you on notice that you have apparently acted in violation of the Federal Election Campaign Act and that you should be careful to abide by the provisions of the Act in order to avoid future Commission proceedings against you.

Sincerely,

Charles N. Steele
General Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	MUR 951
Idaho Republican Congressional)	
Campaign Committee)	
Idaho Republican State Central)	
Committee)	
Moscow Vision Clinic, P.A.)	
Stoddard Transfer and Fuel)	
Ratliff Realty)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on January 8, 1980, the Commission decided by a vote of 5-0 to take the following actions regarding the above-captioned matter:

1. Take no further action against the Idaho Republican State Central Committee regarding violations of 2 U.S.C. §§ 433, 434, and 441b.
2. Take no further action against the Idaho Republican Congressional Candidates Committee regarding violation of 2 U.S.C. § 441b.
3. Find NO REASONABLE CAUSE TO BELIEVE that Moscow Vision Clinic violated 2 U.S.C. § 441b.
4. Take no further action against Stoddard Transfer and Fuel regarding a violation of 2 U.S.C. § 441b.
5. Take no further action against Ratliff Realty regarding a violation of 2 U.S.C. § 441b.

(Continued)

CERTIFICATION

Page 2

MUR 951

General Counsel's Report

Dated: January 3, 1980

6. Close the file.

7. Approve and send the letters attached
to the above-named report.

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

Attest:

1/8/80

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Received in Office of the Commission Secretary: 1-3-80, 1:45
Circulated on 48 hour vote basis: 1-4-80, 11:00

January 3, 1979

MEMORANDUM TO: Marjorie W. Emmons
FROM: Jane Colgrove
SUBJECT: MUR 951

Please have the attached General Counsel's Report on MUR 951 distributed to the Commission on a 48 hour tally basis.

Thank you.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Idaho Republican Congressional)
Campaign Committee)
Idaho Republican State Central) MUR 951
Committee)
Moscow Vision Clinic, P.A.)
Stoddard Transfer and Fuel)
Ratliff Realty)

GENERAL COUNSEL'S REPORT

On June 12, 1979, the Commission determined that there was reason to believe that the Idaho Congressional Campaign Committee, the Idaho Republican State Central Committee, Moscow Vision Clinic, P.A., Stoddard Transfer and Fuel, and Ratliff Realty violated 2 U.S.C. § 441b. In addition, the Commission found reason to believe that the Idaho Republican State Central Committee violated 2 U.S.C. §§ 433 and 434.

These determinations were based on findings made during the audit of the Idaho Congressional Campaign Committee. With regard to each respondent, a summary of allegations and Commission action, responses, and recommendations derived therefrom are provided below:

IDAHO REPUBLICAN STATE CENTRAL COMMITTEE

A. Summary of Allegations and Commission Action

In connection with the audit of the Idaho Republican Congressional Campaign Committee ("CCC") (the federal committee), the Audit Division examined records of the Idaho Republican State Central Committee ("SCC"), an unregistered

state level party organization which had transactions with the CCC during 1976. The auditors' review of the SCC records revealed that the total apparent federal activity by the SCC was \$15,766.33.

On June 12, 1979, the Commission found reason to believe that the SCC violated 2 U.S.C. §§ 433 and 434 for failure to register and report as a political committee as well as 2 U.S.C. § 441b for acceptance of corporate contributions. The Commission's letter of findings set forth four charges of SCC involvement in 1976 federal activity:

- (1) that the SCC transferred \$3,282.00 to the CCC from a non-federal account containing corporate contributions;
- (2) that the SCC made payments for photography and filming of commercials totaling \$520.01 on behalf of a congressional candidate;
- (3) that the SCC paid rental and supply expenses for two congressional candidates in connection with a storefront campaign headquarters in the sum of \$2,746.78; and
- (4) that due to the SCC's improper allocation of administration expenses to the CCC, it paid general administrative expenses allocable to the CCC totaling, by the Commission's estimate, \$13,071.75. 1/

1/ This figure was derived from a Commission approved method of allocation using the percentage of receipts raised for federal purposes to the total of receipts for federal, state and local purposes. The calculation was made by auditors through an analysis of party receipts. Of this amount (\$13,071.75), the Commission recognized the CCC's reimbursement of \$2,128.00 for two federal fundraisers and a transfer of \$1,726.81 in residual funds thereby reducing the total of administrative expenses to \$9,216.24.

B. Responses

On August 20, 1979, the SCC responded to the above charges and revealed the following:

(1) SCC Transfer of \$3,282.00 to the CCC

The SCC received \$16,410.00 in two installments from the State of Idaho under their election check-off provisions. 2/ These funds were deposited into the SCC account which, under state law, is permitted to accept corporate checks for support of state and county candidates. 3/ On September 7, 1976, a check for \$3,282.00, or 20% of the check-off amount, was drawn on this account and placed in the CCC account. The SCC officials contend that "had the entire \$16,410.00 been deposited in the CCC account and a check written on that account to the SCC, it would have been technically correct. There may be a technical violation, but clearly it was one of form not substance."

2/ These funds represent \$1 and \$2 political contributions as designated by residents of Idaho on their state income tax returns.

3/ Auditors noted that the SCC accepted seven contributions totaling \$885 from verified corporations.

(2) \$520.01 Payment for Commercial

The \$520.01 contribution on behalf of a congressional candidate consisted of \$96.56 to Angsar Johnson for photographs, \$15.00 to Custer Publishing, \$400.00 to Film Associates, and \$8.45 to Speedy Brothers for a flyer. 4/ The SCC contends that the bill for these expenses was sent directly to the State Central Committee office and was inadvertently paid from SCC funds. All of these payments were reimbursed.

(3) Storefront State Headquarters Expense of \$2,746.78

In September 1976, the SCC organized a state campaign headquarters for all Republican candidates. Two congressional candidates, Hansen and Symms, had one desk each at the headquarters staffed by volunteers. The volunteers were only there to hand out literature. The SCC officials contend that both Hansen and Symms were billed for their share of the rent and general expenses amounting to \$2,746.78. At the time of the audit, all but an outstanding debt of \$1,372.89 had been repaid by the candidates. Hansen has since repaid the remaining \$1,372.89.

4/ These expenditures were undertaken by the SCC on behalf of federal candidates between January 20, 1976, and December 22, 1976.

(4) Allocation of Administrative Expenses

The SCC figured allocation of administrative expenses based on a percentage of the number of federal offices to the number of local and statewide offices in Iowa in 1976. Based upon this allocation formula, the SCC requested reimbursement from the CCC of 2/100 of the total overhead and administrative costs. According to the SCC officials, the Committee considered this allocation formula to be fair since the paid staff was directed to expend its major effort on state legislative and county candidates and little effort on behalf of congressional candidates.

Upon receipt of the Commission's letter of findings, the SCC reviewed re: AOR 1976-72 which set forth the Commission approved method of allocation as, by contrast, giving proportionately more weight to federal offices. 5/ The Committee noted that the Commission's opinion was based in part on proposed regulations and that the policy was not formally recommended until September 8, 1977.

The Committee contends that "it is manifestly unfair for the Commission to now impose that standard upon us when it was not even adopted until after the 1976 election was over."

5/ Using this method of allocation, the auditors arrived at a figure of \$13,071.75. The allocable portion of administrative expenses was determined by the ratio of (1) the total amount which the committee received into its "Federal" account to (2) the total of all receipts (federal, state and local).

C. Recommendations

The Office of General Counsel recommends that the Commission take no further action against the SCC for the following reasons:

1. The SCC has received reimbursement of \$520.01 for payments on behalf of a congressional candidate.
2. The SCC has no outstanding debts owed by congressional candidates for expenses incurred at their state campaign headquarters.
3. There is evidence that the SCC made an effort to allocate administrative expenses based upon what in their opinion appeared to be a "fair" method of allocation. At the time that the SCC was attempting to comply with the law, the Commission's recommended method of allocation was based on proposed regulations. The Commission's regulations were not promulgated until April 13, 1977, and the Commission's policy on the allocation of administrative expenses was not adopted until September 8, 1977, after the Committee's participation in 1976 elections was over. The Committee has since been advised to follow the Commission's policy on the allocation of administrative expenses as described in an outline entitled, "Formula for Allocation of Administrative Expenses Between Federal and Non-Federal Accounts".
4. During the audit of the CCC, the state headquarters' staff attempted to cooperate with auditors to resolve errors and discrepancies in the activities of their state organization. While the Committee notes that there was no deliberate attempt to violate the FECA, they admit that a violation of 2 U.S.C. § 441b did occur when they transferred 20% of their Idaho tax check-off monies from their state account, containing corporate contributions, to their federal account for purposes of influencing federal elections. At this time, the Office of General Counsel does not recommend that the Commission require the CCC to refund the tax check-off monies to the SCC as these committees are no longer in existence or conducting federal activities. Furthermore, we recognize that this violation occurred in 1976 during a period in which political committees were attempting to learn the complexities of the law.

IDAHO REPUBLICAN CONGRESSIONAL CAMPAIGN COMMITTEE
STODDARD TRANSFER AND FUEL
MOSCOW VISION CLINIC, P.A.
RATLIFF REALTY

A. Summary of Allegations and Commission Action

During the Audit Division's examination of the Idaho Republican Congressional Campaign Committee ("CCC"), evidence was found of three apparent corporate contributions. All were in the sum of \$200 or more.

On June 12, 1979, the Commission found reason to believe that the CCC had violated 2 U.S.C. § 441b by accepting corporate contributions for purposes of influencing federal elections and that the Moscow Vision Clinic, P.A., Stoddard Transfer and Fuel, and Ratliff Realty had violated 2 U.S.C. § 441b by making corporate contributions in connection with federal elections.

B. Responses

Further investigation revealed that the check from Moscow Vision Clinic was not written on the Moscow Vision Clinic, P.A. account (an incorporated entity) but rather on the Moscow Vision Clinic account which is the personal account of the owner. 6/

It was determined, however, that the CCC had received corporate contributions from Ratliff Realty and Stoddard

6/ Confusion apparently arose when a list of contributor names was sent by the Audit Division to the Idaho Secretary of State for a check of corporation status. In its reply, the Secretary of State's Office noted the P.A. designation next to Moscow Vision Clinic.

Transfer and Fuel. The contribution written on the account of Stoddard Transfer and Fuel was returned uncashed and cancelled by Harry Damiano who later replaced the donation from his personal household account.

C. Recommendations

In that the contribution from Moscow Vision Clinic was not written on a corporate account, the Office of General Counsel recommends that the Commission find no reasonable cause to believe against the CCC nor the Moscow Vision Clinic as to that contribution.

Further, in that the contribution from the corporate account of Stoddard Transfer and Fuel was returned immediately and replaced by a personal check, we recommend that the Commission take no further action against the CCC nor Stoddard Transfer and Fuel.

Finally, although the CCC did accept a corporate contribution from Ratliff Realty in 1976, we recommend no further action be taken against the CCC nor Ratliff Realty. In 1976 the CCC had taken steps to ensure that no corporate or labor funds would be used for federal purposes. This is shown by the fact that separate accounts were maintained for purposes of segregating non-federal funds, containing corporate contributions, from federal funds. Evidence that a system existed to alleviate the possibility of accepting prohibited funds into their federal account is also noted in the aforementioned matter in which the

corporate check received from Stoddard Transfer and Fuel was returned uncashed within a reasonable time of determining that the funds were prohibited. As the CCC is no longer in existence, we would not recommend that the Committee re-register in order to raise funds and refund the contribution of \$300 to Ratliff Realty.

RECOMMENDATIONS

1. Take no further action against the Idaho Republican State Central Committee regarding violations of 2 U.S.C. §§ 433, 434, and 441b.
2. Take no further action against the Idaho Republican Congressional Candidates Committee regarding violation of 2 U.S.C. § 441b.
3. Find no reasonable cause to believe that Moscow Vision Clinic violated 2 U.S.C. § 441b.
4. Take no further action against Stoddard Transfer and Fuel regarding a violation of 2 U.S.C. § 441b.
5. Take no further action against Ratliff Realty regarding a violation of 2 U.S.C. § 441b.
6. Close the file.
7. Approve and send the attached letters.

Date

January 1970

Charles N. Steele
General Counsel

Attachments:

4 Letters



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20543

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

William B. Durban, M.D.
Moscow Vision Clinic
604 S. Washington
Moscow, Idaho 83843

Re: MUR 951

Dear Mr. Durban:

This is to confirm our receipt of your letter dated July 13, 1979, in connection with the Commission's investigation in the above-captioned matter. After considering the information you provided and other evidence available, the Commission determined on January , 1980, that there was no reasonable cause to believe that Moscow Vision Clinic violated § 441b of the Act. Accordingly, the Commission has closed its file on this matter.

Should you have any questions, please contact Beverly Brown at (202) 523-4529.

Sincerely,

Charles N. Steele
General Counsel



FEDERAL ELECTION COMMISSION

1100 K STREET NW
WASHINGTON, DC 20004

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Harold L. Damiano
Stoddard Transfer and Fuel
218 Lakeside Avenue
Post Office Box 970
Coeur d'Alene, Idaho 83814

Re: MUR 951

Dear Mr. Damiano:

The Commission determined on January , 1980, to take no further action against Stoddard Transfer and Fuel regarding a violation of § 441b of the Federal Election Campaign Act of 1971, as amended. Accordingly, the Commission has closed its file on this matter.

Should you have any questions, please contact Beverly Brown at (202) 523-4529. Thank you for your cooperation.

Sincerely,

Charles N. Steele
General Counsel



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20543

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. James V. Ratliff
Ratliff Realty
2625 Government Way
Coeur d'Alene, Idaho 83814

Re: MUR 951

Dear Mr. Ratliff:

The Commission determined on January , 1980, to take no further action against Ratliff Realty regarding a violation of § 441b of the Federal Election Campaign Act of 1971, as amended. Accordingly, the Commission has closed its file on this matter.

Should you have any questions, please contact Beverly Brown at (202) 523-4529. Thank you for your cooperation.

Sincerely,

Charles N. Steele
General Counsel



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, DC 20461

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dennis M. Olsen
State Chairman
Idaho Republican Congressional
Campaign Committee
Idaho Republican State Central
Committee
Simplot Building
805 Idaho Street, Suite 213
Boise, Idaho 83701

Re: MUR 951

Dear Mr. Olsen:

The Commission determined on January , 1980, to take no further action against the Idaho Republican Congressional Campaign Committee and the Idaho Republican State Central Committee regarding violations of § 433, 434 and 441b of the Federal Election Campaign Act of 1971, as amended. Accordingly, the Commission has closed its file on this matter.

Should you have any questions, please contact Beverly Brown at (202) 523-4529. Thank you for your cooperation.

Sincerely,

Charles N. Steele
General Counsel



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20541

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS/MARGARET CHANEY
DATE: DECEMBER 6, 1979
SUBJECT: MUR 951 - Interim Investigative Report
dated 12-4-79; Received in OCS
12-5-79, 7:51

The above-named document was circulated to the Commission on a 24-hour no-objection basis at 11:00, December 5, 1979.

There were no objections to the Interim Investigative Report at the time of the deadline.

December 4, 1979

MEMORANDUM TO: Marjorie V. Emons
FROM: Elissa T. Garr
SUBJECT: MUR 951

Please have the attached Interim Invest Report on
MUR 951 distributed to the Commission.

Thank you.

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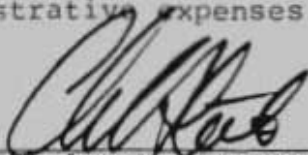
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The Office of General Counsel is now prepared to make recommendations regarding the allocation of administrative expenses. Therefore, we will make the final report to the Commission by December 12, 1979, which should resolve this matter and provide appropriate advice to the Committee as to prospective handling of administrative expenses.

4 December 1979
Date


Charles N. Steele
Acting General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20543

MEMORANDUM TO: CHARLES STEELE *MWE*
FROM: MARJORIE W. EMMONS/MARGARET CHANEY *mc*
DATE: SEPTEMBER 28, 1979
SUBJECT: MUR 951 - Interim Investigative Report
dated 9-27-79; Received in
OCS 9-27-79, 11:53

The above-named document was circulated to the Commission on a 24-hour no-objection basis at 4:00, September 27, 1979.

There were no objections to the Interim Investigative Report at the time of the deadline.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
The Idaho Republican Congressional)
Campaign Committee)
The Idaho Republican State Central) MUR 951
Committee)
Stoddard Transfer and Fuel)
Moscow Vision Clinic, P.A.)
Ratliffe Realty)

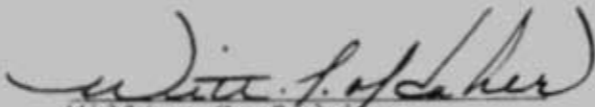
INTERIM INVESTIGATIVE REPORT

On June 12, 1979, the Commission found reason to believe that the Idaho Republican State Central Committee violated 2 U.S.C. §433 and §434 for failure to register and report as well as 2 U.S.C. §441b for acceptance of corporate contributions. The Commission also found reason to believe that the Idaho Republican Congressional Campaign Committee violated 2 U.S.C. §441b by accepting the in-kind contribution of payment for administrative expenses by the Idaho Republican State Central Committee and by accepting corporate contributions from Stoddard Transfer and Fuel, Moscow Vision Clinic, P.A., and Ratliffe Realty. Finally, the Commission found reason to believe that Stoddard Transfer and Fuel, Moscow Vision Clinic, P.A., and Ratliffe Realty violated 2 U.S.C. §441b by making corporate contributions to the Idaho Republican Congressional Campaign Committee.

The Office of General Counsel has just received a full response from the Idaho Republican Congressional Campaign and State Central Committees. We are in the process of analyzing this response and will make recommendations for further action in the near future. We are also awaiting completion of recommendations to the Commission as to enforcement of allocation of administrative expenses. Any policy decisions by the Commission in this area will, in part, affect the outcome of this MUR.

Date

9/27/79


William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
DATE: SEPTEMBER 4, 1979
SUBJECT: MUR 951 - Interim Investigative Report
dated 8-30-79; Received in OCS
11:17, 8-31-79

The above-named document was circulated to the Commission on a 24-hour no-objection basis at 2:00, August 31, 1979.

There were no objections to the Interim Investigative Report at the time of the deadline.

August 31, 1979

MEMORANDUM TO: Marge Lemons
FROM: ; Liissa T. Carr
SUBJECT: HUR 951

Please have the attached Interim Invest Report
on HUR 951 distributed to the Commission.

Thank you.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
The Idaho Republican Congressional)
Campaign Committee)
The Idaho Republican State Central) MUR 951
Committee)
Stoddard Transfer and Fuel)
Moscow Vision Clinic, P.A.)
Ratliffe Realty)

INTERIM INVESTIGATIVE REPORT

On June 12, 1979, the Commission found reason to believe that the Idaho Republican State Central Committee violated 2 U.S.C. § 433 and 434 for failure to register and report as well as 2 U.S.C. § 441b for acceptance of corporate contributions. The Commission also found reason to believe that the Idaho Republican Congressional Campaign Committee violated 2 U.S.C. § 441b by accepting the in-kind contribution of payment for administrative expenses by the Idaho Republican State Central Committee and by accepting corporate contributions from Stoddard Transfer and Fuel, Moscow Vision Clinic, P.A., and Ratliffe Realty. Finally, the Commission found reason to believe that Stoddard Transfer and Fuel, Moscow Vision Clinic, P.A., and Ratliffe Realty violated 2 U.S.C. § 441b by making corporate contributions to the Idaho Republican Congressional Campaign Committee.

The Executive Director of the Idaho Republican State Central Committee has contacted us on behalf of that committee

and the Idaho Republican Congressional Campaign Committee to notify us that a formal response to the Commission's findings is in the final stages of preparation. Their delay in responding is due to the fact that the Chairman, Executive Director and Finance Chairman of these committees, for the time when apparent violations took place, are no longer with these committees and had to be located for purposes of the response. Furthermore, present committee personnel have been on vacation, causing additional delay in finalizing a formal response. The Executive Director has assured us that a reply will be sent in the next two weeks.

All three of the contributor respondents have replied to the Commission's reason to believe notices. Moscow Vision Clinic explained that its contribution was not written on the Moscow Vision Clinic, P.A., account (the incorporated entity) but rather on the Moscow Vision Clinic account, which is the personal account of the owner. The Office of General Counsel has checked with the Audit Division and found that the information taken directly from a copy of the Moscow Vision Clinic contribution check during the audit did not include the designation P.A. Confusion apparently arose when a list of contributor names was sent by the Audit Division to the Idaho Secretary of State for

a check of corporation status. In its reply, the Secretary of State's Office noted the P.A. designation next to Moscow Vision Clinic. Since this contribution was not written on the corporate account, Moscow Vision Clinic did not violate 2 U.S.C. § 441b.

The Office of General Counsel is awaiting further clarification and documentation from the two remaining contributors.

Date

B/30/79

William C. Oldaker
General Counsel

304 1015

**Idaho Republican
State Central Committee**

91 3949

Simpliot Building • 805 Idaho St. • Suite 213
P.O. Box 2267 • Boise, Idaho 83701
Telephone (208) 343-6405

August 20, 1979

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

Re: MUR 951

Dear Mr. Oldaker:

We have received your letter of July 2, 1979. At the outset I must say that we were surprised by the tone of the letter. As your auditors I'm sure will attest, our state headquarters staff attempted to cooperate in every way with them in their audit and to resolve any errors or discrepancies in the activities of our state organization. While the auditors indicated that there may be some possible technical infractions, we thought that it was clearly apparent from the audit investigation and the records which we had that any such infractions were clearly unintentional.

Furthermore the infractions which you refer to--particularly with respect to the allocation of expenses--depend upon construction of the law as well as the regulations. At the time in question everyone was trying to learn how to comply with the law, and even the interpretations of the law were in a state of flux. In view of our extensive efforts to comply with the law and cooperate with the auditors, we anticipated a letter giving us instructions as to future procedures rather than to receive the tersely worded implicit threat of charges for violations. We assumed that since our records and our conduct clearly indicated a sincere desire to comply with the law that the main objective of the FEC would be to assist us in understanding the complexities so that we could correct any improper procedures.

Regardless, however, we appreciate the opportunity of responding to your letter.

The first factor which we desire to bring to your attention is the nature of our state organization. Our state chairman and the complete executive board consists of volunteers who gain absolutely nothing monetarily as a result of their political activities. They were and are people who feel that it is their patriotic obligation to become involved in the political process. Consequently to be faced with potential charges for



violation of the law has been most discouraging--particularly in view of the sincere and honest efforts to try to comply with the law and cooperate with the FEC auditors.

At the critical time the state chairman was Vernon Ravenscroft of Tuttle, Idaho. The acting finance chairman was Mr. R.M. Robson of Boise, Idaho. The paid staff person who was responsible for the reporting process at the time of the activities referred to in your letter was Mrs. Starr McGinnis. Mrs. McGinnis ceased employment in March of 1977 and is no longer in the area. Unfortunately we have been hampered in our attempt to review this matter because of her absence.

Her successor was Melissa Nelson who was employed by us during the time of the audit. She had no first hand knowledge of what had occurred under Mrs. McGinnis. Mrs. Nelson ceased employment with our organization several months ago to have a child and is now working for another organization. It is unfortunate to have this constant turnover in such key personnel, but that seems to be the name of the game in political activities.

In connection with the consideration of the specific violations, it should be understood that all financial matters of the State Republican Central Committee were handled at the state office in Boise, Idaho.

Your letter sets forth five basic charges: 1) That the State Central Committee, being unregistered as a political committee with the FEC, transferred \$3,382.00 to the Congressional Campaign Committee; 2) that the State Central Committee paid for commercials on behalf of a Congressional Candidate; 3) that the State Central Committee was tainted by receiving corporate checks; 4) that the State Central Committee paid rental and supply expenses for Congressional Candidates in the sum of \$2,746.78; and 5) that the State Central Committee did not properly allocate administrative expenses to Congressional Candidates in the operation of Campaign Headquarters in 1976. We will handle each item separately in our explanation.

Corporate Contributions:

Because of the Federal Law, it was determined that there would be two special events solely for the support of Congressional Candidates in 1976. One of these events was held in Coeur d'Alene, Idaho, 450 miles from Boise. A list of donors to this event was kept, and a copy of all checks received were photocopied. Three checks were questioned by the auditors: 1) a check from Stoddard Transfer & Fuel, dated June 21, 1976; 2) a check from Moscow Vision Clinic, dated July 18, 1976; and 3) a check from Ratcliff Realty, dated June 24, 1976. Photocopies of these checks are enclosed for your review.

These checks were three of one hundred twenty-four handled for this event. None of these checks show any indication on their face that they are corporate checks.

While it is true that all three of these businesses turned out to be corporations, their places of business were in northern Idaho, their articles were not recorded with the Ada County Records Office in Boise, and consequently the finance director had no way to gain knowledge, either actual or constructive, that she was handling corporate checks. It should

be further noted that these checks were credited on the list to the individuals who made them. Admittedly we were in error, but it was an error honestly made with no intent to Violate the Federal Act.

\$3,282.00 Transfer, State Central Committee to Congressional Campaign Committee:

In 1975 The State Executive Committee established a firm policy of reserving 20% of all receipts for Campaign support. To minimize the supervision of office work and to provide a clear audit track, the support of Congressional Candidates was limited to three sources; the Crane fund raiser in Payette, the Connally fund raiser in Coeur d'Alene, and 20% of the State income tax check-off. Twenty percent (20%) of all other receipts and a special direct mail solicitation were used to support state legislature and other local campaigns. The transfer in question solely involves the division of the tax check-off fund.

Under Idaho law these funds are distributed once every two years. On August 23, 1976, the Idaho State Central Committee received two State Warrants from the State Auditor in the sums of \$4,956.98 and \$11,452.00. A check was made for 20% of this amount and placed in the Congressional Campaign Fund. Technically it may have been tainted, but it would seem a stretch of the imagination. It now appears after the fact that had the entire \$16,410.00 been deposited in the Congressional Campaign Fund and a check for 80% written on that account to the State Central Committee it would have been technically correct. There may be a technical violation, but it clearly was one of form not of substance. We are enclosing a copy of the deposit slips for \$4,956.98 and \$11,452.00 and a photocopy of our check which divided that fund 80%-20%.

\$520.01 Payment for Commercial on Behalf of Symms, Hansen, & Ford:

Unfortunately the bills for these expenses were sent directly to the State Republican Office. They were inadvertently paid from State Central Committee funds. The auditors suggested that the report be revised to show these items as an in-kind contribution. Mrs. Nelson was instructed, however, to withhold filing of the amended report until contacted by the auditors, which they have never done. The \$520.01 consisted of \$96.56 to Ansgar Johnson for photographs, \$15.00 to Custer Publishing and \$400.00 to Film Associates, and \$8.45 to Speedy Brothers for a flyer. All of these payments were re-imbursed. The candidates would not personally have had any knowledge of these payments until after they were made. Once more it was a learning experience.

Storefront State Headquarters Expense \$2,746.78:

In September, 1976, the SCC helped organize a State Campaign Headquarters for all Republican Candidates. Our two Congressional Candidates Hansen and Symms had one desk each in this place staffed by a volunteer. Each of them had separate State Campaign Offices in Boise and Pocatello, staffed by their paid staff. Their campaign was run out of their campaign offices. The function in the State Campaign Headquarters from the standpoint of their races was simply to have volunteers there to give out literature. We deliberately did not get involved in running or participating in their campaigns. The total effort of our paid staff was dedicated to county and legislative races. There were more than 100

legislative and county candidates working out of this headquarters. Both Symms and Hansen were billed for their share of the rent and general expense and both have paid their share of the billing. At the time of the audit Hansen owed \$1,372.89. He has since paid the bill prior to the 1978 campaign. This item was never considered or carried by the SCC other than as a debt, as evidenced by the attached Exhibit A, which is a portion of the June 30, 1978 State Finance Report.

Allocation of Administrative Expense:

The allocation of administrative expenses was based on 2/100 of the time the paid staff spent with respect to the Headquarters, and putting on the two Special Events. The Executive Committee considered the matter, and determined that this was fair. The staff was directed to expend its major effort on State Legislative and County Candidates. By mandate of the Executive Committee, very little effort was expended, by the paid staff on behalf of the Congressional Candidates. We have reviewed your letter of October 6, 1976 to the Illinois State Central Committee and note that the policy laid out in that letter made it very clear that it was "informational only and not as an advisory opinion since it is based in part on proposed regulations of the Commission which must be submitted to Congress". Thus it is apparent that the policy which you believe we should have followed was not formally established at the time we were attempting to comply with the law. Apparently the formal policy was not established until September 8, 1977. It seems to us that it is manifestly unfair for the Commission to now arbitrarily impose that standard upon us when it was not even adopted until after the 1976 Election was over. If the Commission was not in a position to clearly state what the requirements were, then how could we be expected to know what we must do to comply. If formal charges are contemplated, it would appear to us that the guidelines of the law were too vague to be enforced and of course this raises Constitutional questions as to the validity of the law.

Furthermore it appears to us that the guidelines established are rather arbitrary and do not fit the fact situation in our case where our involvement with the Congressional Candidates and their campaign was so minimal.

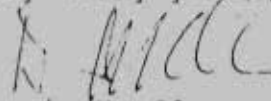
Regardless, however, our decision was clearly a judgement call. There was no intent to violate the law.

Finally there are two facts worthy of note. Under State Law the SCC is allowed to accept corporate checks for support of State and County Candidates. Because of this fact we were very conscious that we had to be careful to not accept corporate contributions for Federal Candidates, and we tried to keep the matters separate from the beginning. This is shown by the fact that we kept separate accounts for both and they were set up at the beginning of the 1976 Campaign. Additionally, because of this discrepancy in the laws it was determined by the Executive Committee that we not file SCC under the FEC. It is obvious that there was no deliberate attempt to violate the Federal Act. While it is true that by a process of osmosis there was some seepage, the occurrences were entirely innocent. We had a small paid staff, many volunteers, thousands of transactions, and we were working with a new and

uninterpreted Federal Law. In retrospect it is a wonder that there were not more technical violations.

We would appreciate your viewing this matter from our point of view and giving us the benefit of the doubt. We have learned some lessons and do not intend to repeat any mistakes that may have been made.

Very truly yours,



Dennis M. Olsen
State Chairman



Vernon Ravenscroft
Immediate Past State Chairman

DMO/rgb
Enclosure

IDAHO REPUBLIC STATE CENTRAL COMMITTEE

EXHIBIT-A

BALANCE SHEET DETAIL

JUNE 30 1973

ASSETS

Petty Cash
Headquarters Fund
State Affairs Fund
National Account

\$ 50.00
1978.66
5047.22

\$ 7075.88
=====

ACCOUNTS RECEIVABLE

. George Hansen for Congress
. Starre McGinnis
. State Legis. Cand.

\$ 1373.89 *
129.27
187.71

\$ 1690.87
=====

DEPOSITS

\$

\$

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PREPAYMENTS

. Prepaid Insurance

\$ 21.50

\$ 21.50
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ACCOUNTS PAYABLE

\$

\$

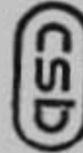
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ACCRUED PAYROLL & RELATED

. State Unemployment Tax
. Federal Unemployment Tax

\$ 218.04
(47.21)

\$ 170.83
=====



COMMERCIAL STATE BANK
117 NORTH EIGHTH STREET
BOISE, IDAHO 83702

DEPOSITED WITH

TO THE CREDIT OF

IDAHO REPUBLICAN STATE
CENTRAL COMMITTEE
P. O. BOX 2267
BOISE, IDAHO 83701

ALL ITEMS ARE CREDITED SUBJECT TO FINAL COLLECTION
AND RECEIPT BY PROCEEDS IN CASH OR MONETARY CREDITS

831 10/1/76 10/1/76

121241001221

70 02305 4101

88100019538271

DATE 8-25 1976

CURRENCY - 0 -

COIN CHECKS (LIST SEPARATELY)

Graybill 92-227	15 -
Coley 92-9	20 -
Povlsen 92-137	5 -
Harris 92-125	30 -
Franks 92-1	10 -
Evenden 92-27	10 -
Gossert 92-7	20 -
Truitt 92-32	25 -
Bushy 92-202	5 -
Cleek 92-264	50 -
Cleek 92-12	10 -
Stewart 92-320	10 -
Hunter 92-286	5 -
Congressional 92-155	2,914 29
Idaho State 92-6	4,956 98 ✓
✓ - 92-6	11,452 - ✓

TOTAL 19,538 27

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A better
brand of
banking...

Member, Federal Reserve Bank
of New York
BOSTON

ALL ITEMS ARE CREDITED SUBJECT TO PRESENT
THIS IS YOUR RECEIPT
THE BANK SYMBOL TRANSACTION NUMBER DATE AND AMOUNT OF YOUR DEPOSIT ARE SHOWN BELOW

IBT 6 3 4 2 2 13.575.00 D.D.

ALWAYS OBTAIN OFFICIAL RECEIPT WHEN MAKING DEPOSIT

61115

IB&T *Idaho Bank
& Trust Co.*
BOX 2800 BOISE, IDAHO 83701

TO THE CREDIT OF
IDAHO REPUBLICAN CONGRESSIONAL
CAMPAIGN FUND
P. O. BOX 2267
BOISE, IDAHO 83701

ALL ITEMS ARE PRICED SUBJECT TO FINAL COLLECTION,
AND RECEIPT OF PROCEEDS IN CASH OR SOLVENT CREDIT.

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DEPOSITED WITH

IBET *Idaho Bank & Trust Co.*
BOX 2603 BOISE, IDAHO 83701

TO THE CREDIT OF

IDAHO REPUBLICAN CONGRESSIONAL
CAMPAIGN FUND
P. O. BOX 2267
BOISE, IDAHO 83701

ALL ITEMS ARE CREDITED SUBJECT TO FINAL COLLECTION
AND RECEIPT OF PROCEEDS IN CASH OR SOLVENT CREDITS

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831 - IDA 1997-1998: 1997-1998

DEPOSITED WITH

IBET *Idaho Bank & Trust Co.*
BOX 2500 BOISE, IDAHO 83701

TO THE CREDIT OF

IDAHO REPUBLICAN CONGRESSIONAL
CAMPAIGN FUND
P. O. BOX 2267
BOISE, IDAHO 83701

ALL ITEMS ARE CREDITED SUBJECT TO FINAL COLLECTION
AND RECEIPT OF PROCEEDS IN CASH OR SOLVENT CREDITS

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831 - IDA 1002P 10/10/2000 10:00 10:00 10:00 10:00

DEPOSITED WITH

IBT *Idaho Bank & Trust Co.*
BOX 2600 BOISE, IDAHO 83701

TO THE CREDIT OF

IDAHO REPUBLICAN CONGRESSIONAL
CAMPAIGN FUND
P. O. BOX 2267
BOISE, IDAHO 83701

ALL ITEMS ARE CREDITED & PAID TO FINAL COLLECTION
 60-2022 PT - 2 PAGES - 10-15-19

[illegible][illegible]

CURRENCY	COIN CHECKS LIST SEPARATELY	DOLLARS	CENTS
Brown & Nelson		100	—
James Shortland		100	—
Mrs. W. Gurney		200	—
Mrs. C. S. McDonald		200	—
E. de Sauvage		500	—
Sullivan Russell	X	200	—
Estimate House		200	—
J. L. Knight		200	—
J. T. Blackler		200	—
Martha Brown		200	—
James E. Mann		100	—
Don Drayton		100	—
A. E. H. King		200	—
Gibby M. Fisher		200	—
Mrs. J. H. Hansen		200	—
J. H. Richard.		200	—
Mrs. Hilda Jones		200	—
Kelley Holten		200	—
Mrs. Kay Williams		200	—
Mrs. F. E. Jensen		200	—
T. J. Kandel		200	—
D. W. Edwards		200	—
Wynne & Lundberg		200	—
TOTAL			

[illegible]

NORMAN K. SOWARDS
LAND & LIVESTOCK
MOORE, IDAHO 83255
COEUR D'ALENE, IDAHO 83814

2957

PAY
TO THE
ORDER OF



BUTTE COUNTY BANK
ARCO, IDAHO

⑆124⑆0263⑆ 62⑆617⑆

June 21 1976 92-263 1241
DOLLARS

✓
STODDARD TRANSFER & FUEL
218 LAKESIDE AVE., P. O. BOX 970
COEUR D'ALENE, IDAHO 83814

3923

PAY
TO THE
ORDER OF

Idaho Congressional Campaign Fund \$200
Two hundred — 00/100 — DOLLARS

COEUR D'ALENE OFFICE
First Security Bank of Idaho
NATIONAL ASSOCIATION
COEUR D'ALENE, IDAHO

⑆1231⑆0102⑆ 88 00416 1⑆

June 21 1976 92-165 1231
Mr. Harold G. Demaree

MOSCOW VISION CLINIC

✓
WM. B. DUBON, O.D.
604 SOUTH WASHINGTON
MOSCOW, IDAHO 83843

6862

92-49/1231

PAY
TO THE
ORDER OF

Idaho Congressional Campaign Fund \$200
Two hundred and 00/100 — DOLLARS

FIRST SECURITY BANK OF IDAHO
NATIONAL ASSOCIATION
P. O. BOX 8549 MOSCOW, IDAHO 83843

⑆1231⑆0049⑆028 00⑆76 17⑆

7-18 1976
Mrs. Wm B. Dubon

FINNEY TRANSPORTATION
SALES AND SERVICE
P. O. BOX 429 664-2527
COEUR D'ALENE, IDAHO 83814

1707

PAY
TO THE
ORDER OF

Idaho Congressional Campaign Fund \$200
Two hundred — 00/100 — DOLLARS

COEUR D'ALENE OFFICE
First Security Bank of Idaho
NATIONAL ASSOCIATION
COEUR D'ALENE, IDAHO

⑆1231⑆0102⑆ 88 1⑆505 10⑆

6/16 1976 92-102 1231
J. R. Finney

JERALD J. JAEGER
PERSONAL ACCOUNT
115 S. SECOND ST. 664-9241
COEUR D'ALENE, IDAHO 83814

685

TO THE ORDER OF Idaho Congressional Campaign Fund 6/14 1976 92-102
Two Hundred and 00/100 \$ 200.00 1231
DOLLARS

COEUR D'ALENE OFFICE
First Security Bank of Idaho
NATIONAL ASSOCIATION
COEUR D'ALENE, IDAHO

Jerald J. Jaeger

⑆1231⑆0102⑆ 88 1932 39⑆

W. T. RICHARDS
P. O. BOX 1030
COEUR D'ALENE, IDAHO 83814

1023

TO THE ORDER OF Idaho Congressional Campaign Fund June 14 1976 92-310
Two Hundred and 00/100 \$ 200.00 1231
DOLLARS



W. T. Richards

⑆1231⑆0310⑆ 15 0816 78⑆

Ratliff Realty

(West of the Mall)
Route 4, Box 62,
Coeur d'Alene, Idaho 83814

No 725

Coeur d'Alene, Idaho June 24 1976

92-102
1231

TO THE ORDER OF RATLIFF REALTY 300 DOLLARS \$ 300.00
RATLIFF REALTY 300 DOLLARS 00 CTS

DOLLARS

Coeur d'Alene Mall
FIRST SECURITY BANK of IDAHO NA
Coeur d'Alene, Idaho

RATLIFF REALTY

⑆1231⑆0102⑆ 088 00023 32⑆

GUILFOY INSURANCE
KENWORTHY PLAZA, N.W. 282-4010
MOSCOW, IDAHO 83843

No 1490

92-47/1231

June 16 1976

Tim Muller

\$200.00

GUILFOY INSURANCE 200 DOLLARS 00 CTS

DOLLARS

IDAHO FIRST NATIONAL BANK
MOSCOW, IDAHO
Moscow, Idaho 83843



⑆001490⑆ ⑆123⑆0047⑆ 10 02099 3⑆

FORM 93-1403



Idaho Republican
State Central Committee

Sequester Bldg • 805 Idaho St • Suite 213

P.O. Box 2267 • Boise, Idaho 83701

**RETURN RECEIPT
REQUESTED**

Ms. Claire Lindsay
Office of General Council
Federal Elections Commission
1325 "K" Street, N.W.
Washington, D.C. 20463



Ratliff Realty

(West of the Mall)
2625 Government Way
Coeur d'Alene, Idaho

203-441-9289

August 24, 1979

Ms. Claire Lindsay
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20465

Dear Ms. Lindsay:

In checking our records per our telephone conversation, I find a check in the amount of \$500.00 dated June 24, 1976, which was for a dinner given at Duane Bagadone residence (\$100.00 a plate) in honor of McClure and Simms.

In making the check payable to the Idaho Congressional Campaign Fund, I was not aware of making a Federal violation. Please advise us to the restitution that should be made at this time.

Very truly yours,

RATLIFF REALTY

James V. Ratliff



Railiff Realty

REAL ESTATE BROKERS



Ms. Claire Lindsay
Federal Election Commission
1525 K Street N.W.
Washington, D.C. 20463



79 JUL 30

Ratliff Realty

(West of the Mall)

2625 Government Way

Coeur d'Alene, Idaho

208-444-4200

July 27, 1979

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

Dear Mr. Oldaker:

In checking our records, we find nothing that shows a \$300.00 contribution made to either the Republican or Democratic Election Campaign. If you could please advise us of dates and circumstances involved with this violation, we will be happy to check further.

Very truly yours,

RATLIFF REALTY

James V. Ratliff



1963
JUL 10
7:30 PM



Ratliff Realty

Real Estate Sales

Mr. William C. Ordaker
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20163

MUR 95
10040

Idaho Republican
State Central Committee

Simplot Building • 805 Idaho St. • Suite 213
P.O. Box 2267 • Boise, Idaho 83701
Telephone (208) 343-6405

13 JUL 20 11 12 26
July 16, 1979

Ms. Claire Lindsay
Office of General Council
Federal Elections Commission
1325 "K" Street, N. W.
Washington, D. C. 20463

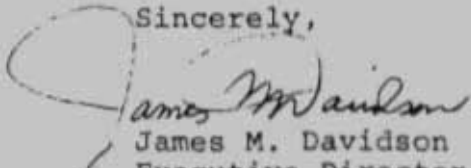
Dear Ms. Lindsay:

With regard to our phone conversation of July 13, 1979, the Idaho Republican State Central Committee requests an extension beyond the ten (10) day period for the response specified in your letter of July 2, 1979.

The State Chairman, Executive Director, and the Finance Chairman, for the period of complaint are no longer active or employed with the State Executive Committee, and our current Chairman will not be available and able to review this matter for several days because of an extended vacation and business trip out of the state.

Extensive legal research and review of the files along with consultation with the above mentioned former individuals will be necessary to respond in depth to the allegations contained in your letter of July 2, 1979. We, therefore, request an extension to September 10, 1979, to be able to answer your allegations in depth.

Sincerely,


James M. Davidson
Executive Director

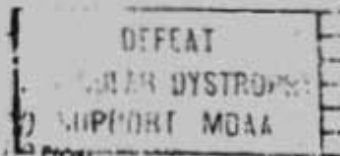
JMD/gs





Idaho Republican
State Central Committee

Geographic • 2096 141/12 • 1/10/11
P.O. Box 2207 • Boise, Idaho 83701



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V

2 5

Ms. Claire Lindsay
Office of General Council
Federal Elections Commission
1325 "K" Street, N. W.
Washington, D. C. 20463



FEDERAL ELECTION COMMISSION

1325 K STREET, N.W.
WASHINGTON, D.C. 20543

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS *MWE Aug 10*

DATE: JULY 20, 1979

SUBJECT: MUR 951 - Interim Investigative Report
signed by GC 7-18-79, Received by OCS
7-19-79, 7:43

The above-named document was circulated to the Commission on a 24-hour no-objection basis at 11:00, July 19, 1979.

There were no objections to the Interim Investigative Report.

July 18, 1979

MEMORANDUM TO: Marge Hemons
FROM: Melissa T. Garr
SUBJECT: NOR 951

Please have the attached Interim Invest Report on
NOR 951 distributed to the Commission.

Thank you.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Idaho Republican Congressional)
Campaign Committee)

Idaho Republican State)
Central Committee)

Stoddard Transfer and Fuel)

Moscow Vision Clinic, PA.)

Ratliffe Realty)

JUL 19 4 7: 43

MUR 951

Interim Investigative Report

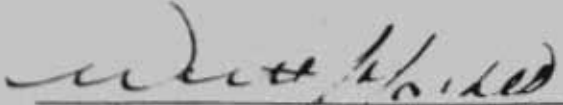
On June 12, 1979, the Commission found reason to believe that the Idaho Republican State Central Committee violated 2 U.S.C. §§ 443 and 434 for failure to register and report. And 2 U.S.C. § 441b for acceptance of corporate contributions. The Commission also found reason to believe that the Idaho Republican Congressional Campaign Committee violated 2 U.S.C. § 441b by accepting the in-kind contribution of payment for administrative expenses by the Idaho Republican State Central Committee and for acceptance of corporate contributions from Stoddard Transfer and Fuel, Moscow Vision Clinic and Ratliffe Realty. Finally, the Commission found reason to believe that Stoddard Transfer and Fuel, Moscow Vision Clinic and Ratliffe Realty violated 2 U.S.C. § 441b by making corporate contributions to the Idaho Republican Congressional Campaign Committee.

As of this report the Office of General Counsel has received a written reply from Stoddard Transfer and Fuel and phone calls from the Idaho Republican Congressional Campaign Committee and Moscow Vision Clinic.

The latter two respondents are sending written replies to the Commission this week. We are attempting to contact Ratliffe Realty to request a written response.

DATE

7/18/19


William C. Oldaker
General Counsel

MOSCOW VISION CLINIC, P.A.

Dr. William B. Durbon
Optometrist

604 S. WASHINGTON P.O. BOX 8537 MOSCOW, IDAHO 83843

OFFICE HOURS BY APPOINTMENT
PHONE 336-4423

July 13, 1979

79 JUL 17 11 3:13

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

963198

Dear Ms. Lindsay:

This is to advise that no funds were used by Moscow Vision Clinic, P.A. for the \$200.00 contribution to the Idaho Republican Congressional Campaign Committee as stated in your letter of July 6th. The funds were from my personal account (Moscow Vision Clinic - not yet incorporated), and were so noted in our 1976 I.R.S. Tax Return.

I couldn't believe we could have done the deed that we are accused of doing as I know better and my accountant checks carefully for any inadvertent errors. However I have checked every Corporate check written in the fiscal year April 1, 1976 thru March 31, 1977 and no check exists drawn to any political entity.

Unfortunately, to date I have been unable to find the Moscow Vision Clinic check (again, a personal check) but repeat, none was drawn on the Moscow Vision Clinic, P.A. account. May I suggest that you check with your source of misinformation and see if this isn't the problem.

Sincerely,

MOSCOW VISION CLINIC, P.A.

W. B. Durbon O.D.
William B. Durbon, O.D., Pres.

WBD:ald

P.S. - For the record, note corrected name spelling and professional title of O.D., not M.D.

MOSCOW VISION CLINIC, P.A.

604 South Washington

P.O. Box 8537 Moscow, Idaho 83843



13 JUL 17 PM 3:13



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

P. O. Box 970
220 N. Second St.

Coeur d'Alene, Idaho 83814



12 5



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, DC 20461

July 2, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Wm. B. Durban, M.D.
Moscow Vision Clinic, P.A.
604 S. Washington
Moscow, Idaho 83843

Re: MUR 951

Dear Mr. Durban:

This letter is to notify you that the Commission has found reason to believe that Moscow Vision Clinic, P.A. violated 2 U.S.C. § 441b by making a \$200 corporate contribution to the Idaho Republican Congressional Campaign Committee, a Federal committee registered with this Commission. 2 U.S.C. § 441b forbids corporations from making contributions or expenditures in connection with any election for Federal office.

Upon making a finding of 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 be taken. As part of this process please submit any legal or factual materials which you deem relevant to the Commission's investigation of this matter within 10 days.

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, (telephone, (202) 523-4060).

Sincerely,

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

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

1100 K STREET, N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Wm. B. Durban, M.D.
Moscow Vision Clinic, P.A.
604 S. Washington
Moscow, Idaho 83843

Re: MUR 951

Dear Mr. Durban:

This letter is to notify you that the Commission has found reason to believe that Moscow Vision Clinic, P.A. violated 2 U.S.C. § 441b by making a \$200 corporate contribution to the Idaho Republican Congressional Campaign Committee, a Federal committee registered with this Commission. 2 U.S.C. § 441b forbids corporations from making contributions or expenditures in connection with any election for Federal office.

Upon making a finding of 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 be taken. As part of this process, please submit any legal or factual materials which you deem relevant to the Commission's investigation of this matter within 10 days.

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 Diane Landau. (Telephone, (202) 523-4949).

Sincerely,

William C. Oldaker
General Counsel

1. Name of the person to be interviewed Mr. J. Edgar Hoover		2. Address of the person to be interviewed Washington, D. C.	
3. Date of interview February 5, 1955		4. Time of interview 10:00 A.M.	
5. Name of the person conducting the interview J. Edgar Hoover		6. Name of the person being interviewed J. Edgar Hoover	
7. Title of the person being interviewed Director		8. Title of the person conducting the interview Director	
9. Subject of the interview Security Matter		10. Date of report February 5, 1955	
11. Remarks Interviewed J. Edgar Hoover at his home, 1200 Massachusetts Avenue, N.W., Washington, D. C. on February 5, 1955.			
12. Signature of the person conducting the interview J. Edgar Hoover			
13. Signature of the person being interviewed J. Edgar Hoover			
14. Date of report February 5, 1955			
15. Initials of the person conducting the interview J. E. H.			
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100. Initials of the person being interviewed J. E. H.			



FEDERAL ELECTION COMMISSION

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

July 2, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Harold L. Damiano
Stoddard Transfer and Fuel
218 Lakeside Avenue
P.O. Box 970
Coeur D'Alene, Idaho 83814

Re: MUR 951

Dear Mr. Damiano:

This letter is to notify you that the Commission has found reason to believe that Stoddard Transfer and Fuel violated 2 U.S.C. § 441b by making a \$200 corporate contribution to the Idaho Republican Congressional Campaign Committee, a Federal committee registered with this Commission. 2 U.S.C. § 441b forbids corporations from making contributions or expenditures in connection with any election for Federal office.

Upon making a finding of 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 be taken. As part of this process please submit any legal or factual materials which you deem relevant to the Commission's investigation of this matter within 10 days.

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, (telephone, (202) 523-4060).

Sincerely,

A handwritten signature in dark ink, appearing to read "William C. Oldaker", is written over a horizontal line.

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

1275 STREET NW
WASHINGTON, D.C. 20543

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Harold L. Damiano
Stoddard Transfer and Fuel
218 Lakeside Avenue
P.O. Box 970
Coeur D'Alene, Idaho 83814

Re: MUR 951

Dear Mr. Damiano:

This letter is to notify you that the Commission has found reason to believe that Stoddard Transfer and Fuel violated 2 U.S.C. § 441b by making a \$200 corporate contribution to the Idaho Republican Congressional Campaign Committee, a Federal committee registered with this Commission. 2 U.S.C. § 441b forbids corporations from making contributions or expenditures in connection with any election for Federal office.

From making a finding of reason to believe that a violation has occurred the Commission is required to take an investigation and to afford you a reasonable opportunity to demonstrate that no action be taken. As part of this process, please submit any legal or factual materials which you deem relevant to the Commission's investigation of this matter within 10 days.

Your letter will remain confidential in accordance with 2 U.S.C. § 437(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 Catherine Smith. (Telephone, (202) 521-4060).

Sincerely,

William C. Oldaker
General Counsel

1. Name of addressee (last, first, middle)
 2. Address (street, city, state, zip)
 3. Name of agent (last, first, middle)
 4. Address (street, city, state, zip)
 5. Name of addressee (last, first, middle)
 6. Address (street, city, state, zip)
 7. Name of addressee (last, first, middle)
 8. Address (street, city, state, zip)
 9. Name of addressee (last, first, middle)
 10. Address (street, city, state, zip)

Always obtain signature of addressee or agent

Signature of addressee or agent
 NAME OF DELIVERY
 POSTMARK

CHAIRMAN OF THE BOARD
 CLERK'S INITIALS



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON DC 20461

July 2, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James V. Ratliffe
Ratliffe Realty
Rt. 4, Box 612
Coeur D'Alene, Idaho 83814

Re: MUR 951

Dear Mr. Ratliffe:

This letter is to notify you that the Commission has found reason to believe that Ratliffe Realty violated 2 U.S.C. § 441b by making a \$300 corporate contribution to the Idaho Republican Congressional Campaign Committee, a Federal committee registered with this Commission. 2 U.S.C. § 441b forbids corporations from making contributions or expenditures in connection with any election for Federal office.

Upon making a finding of 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 be taken. As part of this process please submit any legal or factual materials which you deem relevant to the Commission's investigation of this matter within 10 days.

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, (telephone, (202) 523-4060).

Sincerely,

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

1111 K STREET NW
WASHINGTON, DC 20543

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James V. Ratliffe
Ratliffe Realty
Rt. 4, Box 612
Coeur D'Alene, Idaho 83814

Re: MUR 951

Dear Mr. Ratliffe:

This letter is to notify you that the Commission has found reason to believe that Ratliffe Realty violated 2 U.S.C. § 441b by making a \$300 corporate contribution to the Idaho Republican Congressional Campaign Committee, a Federal committee registered with this Commission. 2 U.S.C. § 441b forbids corporations from making contributions or expenditures in connection with any election for Federal office.

Upon making a finding of 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 be taken. As part of this process please submit any legal or factual materials which you deem relevant to the Commission's investigation of this matter within 10 days.

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 Clara Lindsey, (telephone, (202) 523-4060).

Sincerely,

William C. Oldaker
General Counsel

1. Name of addressee (Print name)
 2. Address (Print name and address)
 3. City (Print name)
 4. State (Print name)
 5. Zip (Print name)
 6. Telephone (Print name)
 7. Signature (Print name)
 8. Date (Print name)
 9. Time (Print name)
 10. Place (Print name)

Always obtain signature of addressee or agent

7/26/79

JUL 26 1979

CLERKS INITIALS



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20461

July 2, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Melissa Nelson, Treasurer
Idaho Republican Congressional Campaign Committee
Idaho Republican State Central Committee
Simplot Building
8th and Idaho Street
Boise, Idaho 83702

Re: MUR 951

Dear Mrs. Nelson:

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 found reason to believe that the Idaho Republican State Central Committee ("SCC") has violated 2 U.S.C. § 433 and 434 by failing to register and report as a political committee and 2 U.S.C. § 441b by accepting corporate contributions.

The Commission has also found reason to believe the Idaho Republican Congressional Campaign Committee ("CCC") violated 2 U.S.C. § 441b by accepting an in-kind contribution from the SCC in the form of payment by the SCC of the CCC's operating expenses and by accepting direct corporate contributions.

Under 2 U.S.C. § 431(d), a political committee is any committee which receives contributions or makes expenditures in connection with federal elections during a calendar year in an aggregate amount exceeding \$1,000. During the course of auditing the CCC, the auditors noted



that the SCC was involved in the following Federal activity in 1976:

- 1) The SCC made a transfer of \$3,282 to the CCC.
- 2) The SCC made payments for photography and filming of commercials totaling \$520.01 on behalf of a Congressional Candidate.
- 3) The SCC paid rental and supply expenses on behalf of 2 Congressional Candidates in connection with a storefront campaign headquarters. These expenses totalled \$2746.78 (although \$1,373.89 has been reimbursed).
- 4) The SCC paid general administrative expenses allocable to the CCC totaling, by the Commission's estimate, \$13,071.75. Of this amount, the Commission recognizes the CCC's reimbursement of \$2,128.00 for two Federal fundraisers and a transfer of \$1,726.81 in residual funds thereby reducing the aforementioned total of general administrative expenses contributed to \$9,216.24 ^{1/}

This total, therefore, of the SCC'S activity in connection with Federal elections stands at \$15,766.73. Under

^{1/} The Commission has reviewed the SCC'S statement of administrative expenses owing by the CCC based on the number of local and statewide candidates as compared to the number of Federal candidates in 1976 in Idaho. The Commission does not accept this formula as a means of deriving a reasonable allocation for overhead expenses because the number of Federal versus State and local candidates is not indicative of the extent of the party's activity with respect to either category of candidates. The Commission believes that a comparison must be made between receipts or expenditures of the State and Federal committees in order to derive a realistic measure of the activity of the Party. The calculation made by the auditors was made by analysis of the party receipts.

2 U.S.C. §§ 433 and 434, any committee which qualifies as a political committee must register and report as a political committee. The SCC failed to do so in 1976 when it qualified as a political committee. Having qualified as a political committee, the SCC was not permitted under 2 U.S.C. § 441b to accept corporate contributions. The auditors noted that the SCC accepted 7 contributions totaling \$885 from verified corporations and deposited these monies in the account from which the \$3,282 transfer was made to the CCC. These contributions were accepted in violation of 2 U.S.C. § 441b.

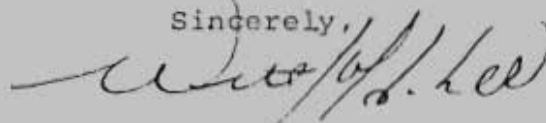
Finally, the Commission does not believe that the allocation of administrative expenses between the SCC and the CCC was calculated on a reasonable basis. As evidenced in Advisory Opinion 1976-72 (Attachment I), the Commission does not accept overhead allocation based on a strict ratio of federal offices to statewide and state legislative offices. Rather, the Commission believes that federal offices should be given more weight in such calculations. Two methods of overhead allocation which have been approved by the Commission entail calculating the ratio of total contributions or expenditures for state and federal elections to the total of contributions or expenditures for federal elections alone. These methods of allocation may be found at 11 CFR 106.1(c) and in the attached guideline entitled, "Formula for Allocation of Administrative Expenses Between Federal and Non-Federal Accounts." (Attachment II)

Since the Commission does not believe the calculation of overhead expenses between the SCC and the CCC was reasonable, the Commission has found reason to believe that the CCC, a political committee, violated 2 U.S.C. § 441b by accepting an in-kind contribution from the SCC in the form of payment by the SCC of the CCC's operating expenses. For purposes of 2 U.S.C. § 441b a contribution includes any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services or anything of value to any candidate, campaign, committee, political party or organization. In this case, the SCC's payment of administrative expenses on behalf of the CCC constituted an indirect contribution from a committee which accepts corporate contributions. Receipt of such a contribution violates 2 U.S.C. § 441b. Moreover, acceptance of direct corporate contributions by the CCC is also a violation of 2 U.S.C. § 441b. The auditors noted that the CCC accepted corporate contributions from Stoddard Transfer and Fuel, Moscow Vision Clinic, P.A. and Ratcliffe Realty.

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 be taken. As part of this process, please provide us with any legal or factual materials which you deem relevant to the Commission's investigation of this matter. We would appreciate your response within 10 days of receipt of this letter. If no response is received within that time, the Commission may proceed on the basis of the information at hand.

This letter of notification will remain confidential in accordance with 2 U.S.C. § 437g(a) (3) unless you wish the investigation to be made public. The staff member assigned to this matter is Clare Lindsay, (telephone number 202 523-4060).

Sincerely,



William C. Oldaker
General Counsel

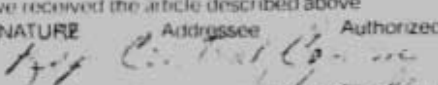
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1. The following service is requested (check one):
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☐ CONSULT POSTMASTER FOR FEES.

2. ARTICLE ADDRESSED TO:

3. ARTICLE DESCRIPTION
 REGISTERED NO. CERTIFIED NO. INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above
 SIGNATURE Addressee Authorized agent


4. DATE OF DELIVERY


5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

ATTACHMENT I



FEDERAL ELECTION COMMISSION

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

October 6, 1976

Re: AOR 1976-72

Mr. David E. Brown
Treasurer & Vice Chairman
Illinois Republican
State Central Committee
Kemper Plaza
Long Grove, Illinois 60049

Dear Mr. Brown:

This is in response to your letter of August 13, 1976, in which you request an advisory opinion on behalf of the Illinois Republican State Central Committee as to the method of allocating general party overhead and operating expenditures between Federal and non-Federal activities. The types of expenses you refer to are for "rent, utilities, office supplies, salaries, etc., and for general campaign activities like registration drives and precinct training courses."

You state that there are 188 separate races in Illinois this year, 25 (not including Vice President) of which are for Federal office, five for statewide office, and 158 for State legislative offices. You ask whether a ratio of 25/188, or 15%/85%, would be a proper allocation between Federal and non-Federal candidates.

It is the opinion of the Commission that in the specific situation you describe, a reasonable allocation of Federal to non-Federal expenditures would be 1/3 to 2/3. This reflects the view that the Federal offices should be given proportionately more weight, and not be equated on a one-to-one basis with, for example, State legislative offices. This formula may be applied in every year.

Among the general party expenses you describe, however, are registration drives. Section 441b of Title 2, United States Code, permits the use of corporate



and union treasury funds only for "non-partisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and executive or administrative personnel and their families, or by a labor organization aimed at its members and their families;" (see §114.1(a)(2)(ii) of the Commission's proposed regulations, copy enclosed). The only exceptions to this general rule are contained in §114.4(d) which allows corporations and labor organizations to support a nonpartisan voter registration drive if:

(i) the corporation or labor organization jointly sponsors the drives with a civic or other non-profit organization which does not support or endorse candidates or political parties and if the activities are conducted by the other organization; and

(ii) These services are made available without regard to the voter's political preference.

(2) A corporation or labor organization may donate funds to be used for nonpartisan registration and get-out-the-vote drives to civic and other nonprofit organizations which do not endorse candidates or political parties.

Thus, even though the Illinois law apparently permits corporate contributions for State elections, corporate/union treasury funds may not be used to fund any portion of a registration or get-out-the-vote drive conducted by a political party.

You state that you have two accounts; one is "restricted" and contains, among others, corporate contributions; the other is "unrestricted" and contains personal and partnership checks, presumably not in excess of the contribution limitations of 2 U.S.C. §441a. You state that "[a]lmost all expenses to date have been paid from unrestricted funds," and you ask how funds from the restricted account can be transferred to the unrestricted account to reimburse it for disbursements made for non-Federal candidates and general overhead expenses.

Section 102.6(b) of the proposed regulations provides in relevant part that committees supporting Federal candidates "may not receive transfers from an account or committee established by a State committee . . . except from a committee or account" receiving only contributions permissible under the Federal Election Campaign Act of 1971, as amended ("the Act").

Therefore, you may not transfer funds from your "restricted" account to your "unrestricted" account, since the "restricted" account contains funds which may not be properly contributed under the Act, see 2 U.S.C. §441b. There is no limitation, however, on funds being transferred from the "unrestricted" to the "restricted" account. You may, therefore, draw a check on each account reflecting the allocation for a particular overhead expense, or you may transfer funds from the "unrestricted" to the "restricted" account, and draw one check on the "restricted" account for the total expenditure.

Notwithstanding the foregoing conclusion, and in view of the transition that will be necessary to conform your committee organization to the requirements of §102.6 the Commission will allow a one-time adjustment of the described expenses allocable to your Federal activities based on the foregoing formula. In other words, at the time (before the close of the next reporting period) you determine the allocable Federal share of the described overhead and general campaign expenses incurred since January 1, 1976, that amount may be reimbursed to the Federal committee from the "restricted" account if the past practice of the State committee would have been to pay only the allocable Federal share from the "unrestricted" account. In the future the "restricted" account must become the State committee, assuming you select the alternative set forth in §102.6(a)(2)(i) which is the only lawful structure by which the State committee may continue to receive corporate funds if the State party desires to continue to benefit Federal candidates through its general party activity.

It should be further noted that §102.6 establishes two permissible organizational structures for political committees: a committee receiving contributions designated for, and contributing to, Federal candidates; or a committee receiving contributions designated for, and making contributions to, both Federal and State candidates. In both cases, the committee may not receive any funds unlawful

- 4 -

under the Act, such as funds from a corporate or labor organization treasury, or contributions in excess of the limits in 2 U.S.C. §441a, see also Part 110 of the proposed regulations. Unless it establishes a separate committee for State and local candidates, the Illinois Republican State Central Committee may not receive corporate contributions as described in your letter.

This response relates to your opinion request but may be regarded as informational only and not as an advisory opinion since it is based in part on proposed regulations of the Commission which must be submitted to Congress. The proposed regulations may be prescribed in final form by the Commission only if not disapproved either by the House or the Senate within 30 legislative days from the date received by them. 2 U.S.C. §438(c). The proposed regulations were submitted to Congress on August 3, 1976.

Sincerely yours,

Signed

Vernon W. Thomson
Chairman for the
Federal Election Commission

Enclosure

DSwillinger/NBLitchfield:cfb:10/4/76
cc: Opinion Docket Section (c/K 726)

JCM

NBL

DJS

Commission Distribution

FORMULA FOR ALLOCATION OF ADMINISTRATIVE EXPENSES BETWEEN FEDERAL AND NON-FEDERAL ACCOUNTS

Federal Election Commission
Instructions-Guideline of September 8, 1977

THE GUIDELINE

The Guideline accepted by the Commission on September 8, 1977, states that:

The allocable Federal portion of the administrative expenses is determined by the ratio of (1) the total amount which the committee received into its "Federal" account to (2) the total of all receipts. For example, if total receipts, i.e., sum of receipts placed into both accounts, is \$10,000, and the amount placed into the "Federal" account is \$1,500, then 15% of administrative expenses during such period must be paid from the "Federal" account.

For the purposes of this formula, the totals of the receipts which are used in determining the percentage of administrative expenses which are to be paid by the Federal campaign committee, are the aggregate year to date totals. Thus, in the example given above, the \$10,000 amount and the \$1,500 amount represent the receipts of the committee during the course of the year, up to the ending day of the coverage period for which the report is being submitted.

APPLICATION

The design of the Guideline is such that it should be used during each reporting period. Because of this, it is essential that the committee report the use of the allocation formula in each of its Reports of Receipts and Expenditures.

For the purposes of this allocation formula Guideline, the following constitutes what receipts should be used within the formula, and to what expenditures the formula should be applied.

Receipts -

The receipts of the committee which should be used within the allocation formula for determining what percentage of administrative expenses should be paid by the Federal campaign committee are the following:

1. Contributions and other income - these are receipts which would be entered on Lines 1-1a and 1-1b of the Detailed Summary of Receipts and Expenditures (Page 2). For the purposes of this Guideline formula, the amount entered on Column B, Line 1-1d is the amount to be included in the receipts figure.*
2. Transfers In - these are receipts which would be entered on Lines 1-5a, 1-5b and 1-5c of the Detailed Summary of Receipts and Expenditures (Page 2). For the purposes of this Guideline formula, the amount entered on Column B, Line 1-5d is the amount to be included in the receipts figure.*

Receipts from loans, loan repayments, refunds, and rebates would not be included in the amounts of receipts to be used within the allocation formula.

*Line numbers signify those on FEC Form 3, revised January, 1978.

Expenditures -

The expenditures of the committee to which the allocation formula should be applied in order to determine what amount of administrative expenses which should be paid from the Federal campaign committee are the following:

1. Those administrative expenses of the political organization which are associated to both the Federal and non-Federal campaign activity of the committee. Such expenses would include, for example, expenditures made for rent, salary, maintenance, stationary, other supplies, phone, etc. These are expenditures which would be entered on Lines 20a and 20b of the Detailed Summary of Receipts and Expenditures (Page 2).⁴

Administrative expenditures of the political organization which would not be subject to allocation include the following:

1. These administrative expenses which can legitimately be attributed to those activities of the political organization which affect only State and local elections. Such expenditures would include, for example, the expenses for a fundraising event, where the proceeds from that event are deposited only in the account(s) of the non-Federal campaign committee. Also included in this category would be expenditures for in-kind contributions for candidates running for State and local offices. For such expenditures, the Federal campaign committee need not pay any portion of the expenses.
2. Those administrative expenses which can be attributed to those activities of the committee which affect only Federal elections. Such expenditures would include, for example, the expenses for a fundraising event, where the proceeds from that event are deposited only in the account(s) of the Federal campaign committee. Also included in this category would be expenditures for in-kind contributions and expenditures made in accordance with Section 4(f)(4) of the Federal Election Campaign Act, as amended, for candidates running for Federal offices. For such expenditures, the Federal campaign committee must pay the entire amount of the expenses.

Please note also that certain categories such as voter registration and get-out-the-vote drives must be funded entirely from the Federal campaign committee and may not be regarded as part of the allowable administrative expenses payable under the formula outlined above, if the non-Federal committee accepts funds from sources which are prohibited by the Act from making contributions in connection with a Federal election. Prohibited sources include national banks, corporations, labor organizations, government contractors and foreign nationals.

It should be noted that the allocation which is required by Section 106.1(c) of the FEC Regulations is a minimum allocation. The Federal campaign committee is not prevented from paying a greater amount for administrative expenses than that amount determined by the allocation formula. For instance, using the example given in the Guideline above, the Federal campaign committee which had total receipts in the amount of \$1,500 and total receipts of \$10,000 for both the Federal and non-Federal campaign committees, must pay a minimum of 15% of its administrative expenses from its Federal campaign committee. The Federal campaign committee could pay anywhere from 15% to 100% of the administrative expenses. On the other hand, the non-Federal campaign committee may not pay a greater share of administrative expenses than that share determined by the formula. In this example, the non-Federal campaign committee's share is 85%. The non-Federal campaign committee may pay 0% to 85% of the administrative expenses, but it can pay no more.



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Melissa Nelson, Treasurer
Idaho Republican Congressional Campaign Committee
Idaho Republican State Central Committee
Simplot Building
8th and Idaho Street
Boise, Idaho 83702

Re: MUR 951

Dear Mrs. Nelson:

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 found reason to believe that the Idaho Republican State Central Committee ("SCC") has violated 2 U.S.C. § 433 and 434 by failing to register and report as a political committee and 2 U.S.C. § 441b by accepting corporate contributions.

The Commission has also found reason to believe the Idaho Republican Congressional Campaign Committee ("CCC") violated 2 U.S.C. § 441b by accepting an in-kind contribution from the SCC in the form of payment by the SCC of the CCC's operating expenses and by accepting direct corporate contributions.

Under 2 U.S.C. § 431(d), a political committee is any committee which receives contributions or makes expenditures in connection with federal elections during a calendar year in an aggregate amount exceeding \$1,000. During the course of auditing the CCC, the auditors noted



that the SCC was involved in the following Federal activity in 1976:

- 1) The SCC made a transfer of \$3,282 to the CCC.
- 2) The SCC made payments for photography and filming of commercials totaling \$520.01 on behalf of a Congressional Candidate.
- 3) The SCC paid rental and supply expenses on behalf of 2 Congressional Candidates in connection with a storefront campaign headquarters. These expenses totalled \$2746.78 (although \$1,373.89 has been reimbursed).
- 4) The SCC paid general administrative expenses allocable to the CCC totaling, by the Commission's estimate, \$13,071.75. Of this amount, the Commission recognizes the CCC's reimbursement of \$2,128.00 for two Federal fundraisers and a transfer of \$1,726.81 in residual funds thereby reducing the aforementioned total of general administrative expenses contributed to \$9,216.24 ^{1/}

This total, therefore, of the SCC'S activity in connection with Federal elections stands at \$15,766.73. Under

^{1/} The Commission has reviewed the SCC'S statement of administrative expenses owing by the CCC based on the number of local and statewide candidates as compared to the number of Federal candidates in 1976 in Idaho. The Commission does not accept this formula as a means of deriving a reasonable allocation for overhead expenses because the number of Federal versus State and local candidates is not indicative of the extent of the party's activity with respect to either category of candidates. The Commission believes that a comparison must be made between receipts or expenditures of the State and Federal committees in order to derive a realistic measure of the activity of the Party. The calculation made by the auditors was made by analysis of the party receipts.

2 U.S.C. §§ 433 and 434, any committee which qualifies as a political committee must register and report as a political committee. The SCC failed to do so in 1976 when it qualified as a political committee. Having qualified as a political committee, the SCC was not permitted under 2 U.S.C. § 441b to accept corporate contributions. The auditors noted that the SCC accepted 7 contributions totaling \$885 from verified corporations and deposited these monies in the account from which the \$3,282 transfer was made to the CCC. These contributions were accepted in violation of 2 U.S.C. § 441b.

Finally, the Commission does not believe that the allocation of administrative expenses between the SCC and the CCC was calculated on a reasonable basis. As evidenced in Advisory Opinion 1976-72 (Attachment I), the Commission does not accept overhead allocation based on a strict ratio of federal offices to statewide and state legislative offices. Rather, the Commission believes that federal offices should be given more weight in such calculations. Two methods of overhead allocation which have been approved by the Commission entail calculating the ratio of total contributions or expenditures for state and federal elections to the total of contributions or expenditures for federal elections alone. These methods of allocation may be found at 11 CFR 106.1(e) and in the attached guideline entitled, "Formula for Allocation of Administrative Expenses Between Federal and Non-Federal Accounts." (Attachment II)

Since the Commission does not believe the calculation of overhead expenses between the SCC and the CCC was reasonable, the Commission has found reason to believe that the CCC, a political committee, violated 2 U.S.C. § 441b, by accepting an in-kind contribution from the SCC in the form of payment by the SCC of the CCC's operating expenses. For purposes of 2 U.S.C. § 441b a contribution includes any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services or anything of value to any candidate, campaign, committee, political party or organization. In this case, the SCC's payment of administrative expenses on behalf of the CCC constituted an indirect contribution from a committee which accepts corporate contributions. Receipt of such a contribution violates 2 U.S.C. § 441b. Moreover, acceptance of direct corporate contributions by the CCC is also a violation of 2 U.S.C. § 441b. The auditors noted that the CCC accepted corporate contributions from Stoddard Transfer and Fuel, Moscow Vision Clinic, P.A. and Ratliffe Realty.

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 be taken. As part of this process, please provide us with any legal or factual materials which you deem relevant to the Commission's investigation of this matter. We would appreciate your response within 10 days of receipt of this letter. If no response is received within that time, the Commission may proceed on the basis of the information at hand.

This letter of notification will remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you wish the investigation to be made public. The staff member assigned to this matter is Clare Lindsay, (telephone number 202 523-4060).

Sincerely,

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

1120 K STREET, N.W.
WASHINGTON, D.C. 20543

June 15, 1979

MEMORANDUM

TO: The Commission
FROM: William C. Oldaker *WCO*
RE: MUR 951

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FEDERAL ELECTION COMMISSION

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO COMMISSION _____

MUR NO. 951
STAFF MEMBER(S) _____

Clare Lindsay

SOURCE OF MUR: INTERNALLY GENERATED

RESPONDENT'S NAME: Idaho Republican Congressional Campaign Committee
Idaho Republican State Central Committee
Stoddard Transfer and Fuel,
Moscow Vision Clinic, P.A., Ratliffe Realty

RELEVANT STATUTE: 2 U.S.C. § 441b, 2 U.S.C. §§ 433 and 434
11 C.F.R. § 106.1(e)

INTERNAL REPORTS CHECKED: Audit Referral

FEDERAL AGENCIES CHECKED: NONE

GENERATION OF MATTER

This matter was referred to the Office of General Counsel on the basis of findings made during the audit of the Idaho Republican Congressional Campaign Committee.

SUMMARY OF ALLEGATIONS

That the Idaho Republican State Central Committee, ("SCC") violated 2 U.S.C. §§ 433 and 434 by failing to register and report as a political committee. That the SCC violated 2 U.S.C. § 441b by accepting corporate contributions and 11 C.F.R. § 106.1(e) by failing to allocate administrative expenses between itself and the Idaho Republican Congressional Campaign Committee, ("CCC"). That the CCC violated 2 U.S.C. § 441b by accepting an in-kind contribution from the SCC in the form of payment by the SCC of CCC's operating expenses, and that the CCC violated 2 U.S.C. § 441b by accepting corporate contributions from Stoddard Transfer and Fuel, Moscow Vision Clinic, P.C., and Ratliffe Realty. That these corporations violated 2 U.S.C. § 441b by making corporate contributions to the CCC.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Idaho Republican Congressional)
Campaign Committee)
Idaho Republican State Central) MUR 951
Committee)
Stoddard Transfer and Fuel)
Moscow Vision Clinic, P.A.)
Ratliffe Realty)

CERTIFICATION

I, Marjorie W. Emons, Secretary to the Federal Election Commission,
certify that on June 12, 1979, the Commission, meeting in an executive
session at which a quorum was present, took the following actions in MUR 951:

1. Determined by a vote of 4-1 to find reason to believe the Idaho Republican State Central Committee violated: 2 U.S.C. §§433 and 434 for failure to register and report; 2 U.S.C. §441b for acceptance of corporate contributions.

Commissioners Aikens, Harris, McGarry, and Tiernan voted affirmatively. Commissioner Friedersdorf dissented. Commissioner Thomson was not present at the time of the vote.

2. Determined by a vote of 5-0 to delete the General Counsel's recommendation to find the Idaho Republican State Central Committee violated 11 C.F.R. 106.1(e) for failure to properly allocate administrative expenses.

Commissioners Aikens, Friedersdorf, Harris, McGarry and Tiernan voted affirmatively. Commissioner Thomson was not present at the time of the vote.

3. Determined by a vote of 4-1 to find reason to believe the Idaho Republican Congressional Campaign Committee violated 2 U.S.C. §441b by accepting the in-kind contribution of payment for administrative expenses by the Idaho Republican State Central Committee and for acceptance of corporate contributions from Stoddard Transfer and Fuel, Moscow Vision Clinic, P.A. and Ratliffe Realty.

Commissioners Aikens, Harris, McGarry, and Tiernan voted affirmatively. Commissioner Friedersdorf dissented. Commissioner Thomson was not present at the time of the vote.

4. Determined by a vote of 4-1 to find reason to believe that Stockard Transfer and Fuel, Moscow Vision Clinic, P.A., and Ratliffe Realty violated 2 U.S.C. §441b by making corporate contributions to the Idaho Republican Congressional Campaign Committee.

Commissioners Aikens, Harris, McGarry, and Tiernan voted affirmatively. Commissioner Friedersdorf dissented. Commissioner Thomson was not present at the time of the vote.

Attest:

6/12/79

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission



FEDERAL ELECTION COMMISSION

WASHINGTON DEC 20 1946

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS *MWE*

DATE: JUNE 11, 1979

SUBJECT: OBJECTION - MUR 951 - First General Counsel's
Report dated 6-6-79; Received in
OCS 6-6-79, 2:27

The above-named document was circulated on a 48 hour vote basis at 11:00, June 7, 1979.

Commissioner Friedersdorf submitted an objection at 10:59, June 11, 1979, thereby placing MUR 951 on the Amended Agenda for the Executive Session of June 12, 1979.

June 6, 1979

MEMORANDUM TO: Marge Edmons
FROM: Melissa T. Garr
SUBJECT: MUR 951

Please have the attached First General Counsel's
Report on MUR 951 distributed to the Commission on a
48
48 hour tally basis.

Thank you.

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FEDERAL ELECTION COMMISSION

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO COMMISSION

JUN 6 1979

MUR NO 2:927
STAFF MEMBER(S)

Clare Lindsay

SOURCE OF MUR: INTERNALLY GENERATED
RESPONDENT'S NAME: Idaho Republican Congressional Campaign Committee,
Idaho Republican State Central Committee,
Stoddard Transfer and Fuel,
Moscow Vision Clinic, P.A., Ratliffe Realty
RELEVANT STATUTE: 2 U.S.C. § 441b, 2 U.S.C. §§ 433, 434, 11 C.F.R.
106.1(e)

INTERNAL REPORTS CHECKED: Audit Referral.

FEDERAL AGENCIES CHECKED: NONE.

GENERATION OF MATTER

That the Idaho Republican State Central Committee, ("SCC") violated 2 U.S.C. §§ 433 and 434 by failing to register and report as a political Committee. That the SCC violated 2 U.S.C. § 441b by accepting corporate contributions and 11 C.F.R. 106.1(e) by failing to allocate administrative expenses between itself and the Idaho Republican Congressional Campaign Committee, ("CCC"). That the CCC violated 2 U.S.C. § 441b by accepting an in-kind contribution from the SCC in the form of payment by the SCC of CCC'S operating expenses, and that the CCC violated 2 U.S.C. § 441b by accepting corporate contributions from Stoddard Transfer and Fuel, Moscow Vision Clinic, P.A., and Ratliffe Realty. That these corporations violated 2 U.S.C. § 441b by making corporate contributions to the CCC.

Preliminary Legal Analysis

In connection with the audit of the Idaho Republican Congressional Campaign Committee, ("CCC") a registered Federal Committee, the Audit Division examined records of the Idaho Republican State Central Committee ("SCC"), an unregistered State-level party organization, which had transactions with the CCC during 1976.

The auditors' review of the SCC disclosed that:

- 1) The SCC made a transfer of \$3,282, representing 20% of monies received by the SCC under Idaho tax check-off system, to the CCC on September 7, 1976.
- 2) Between January and December 1976, the SCC made payments for photography and filming of commercials totaling \$520.01 on behalf of a congressional candidate.
- 3) The SCC paid rental and supply expenses on behalf of 2 Congressional candidates in connection with a storefront campaign headquarters for local, state and Federal candidates operational in September of 1976. (As of the audit, one candidate had repaid the SCC and the remaining \$1,373.89 was shown as an account receivable on SCC'S books.) 1/ These expenses totalled \$2,746.78.
- 4) The SCC paid general administrative expenses allocable to the CCC, Federal Committee, totaling by the auditors' estimate, \$13,071.75. 2/ Of this amount, the CCC reimbursed \$2,128.00 to the SCC in connection with SCC staff time and support services provided by the SCC for 2 Federal fundraisers in 1976. The CCC also transferred \$1,726.81 residual funds to the SCC in October 1976 when the CCC terminated. The unreimbursed balance of administrative expenses paid for by the SCC stands at \$9,216.94.

1/ The receipts of the State Affairs Account, from which these payments were made, were not reviewed during the audit. Hence, we do not know if this account contained funds which were impermissible for use in connection with Federal elections. We do not recommend at this juncture, that the Commission find reason to believe that the candidates which received the benefit of these expenditures have violated the Act.

2/ The CCC terminated in October, 1976 and filed a termination Report in May, 1977. The committee re-registered on October 31, 1977. The audit covered the period January 1, 1976 through March 31, 1978, and the total general administrative expenses paid by the SCC on behalf of the CCC were figured for the time CCC was operational during this period.

Thus, the total apparent Federal activity by the SCC, adding together numbers 1 through 4 above, equals \$15,766.73.

Since, the SCC failed to register and report as a Federal Committee in 1976, it is in violation of 2 U.S.C. §§ 433 and 434. Moreover, the auditors discovered that the SCC received contributions totaling \$855 from 7 verified incorporated entities. These contributions were deposited in the account from which the tax check-off transfer (number 1, above) was made to the CCC. Having qualified as a political committee in 1976, the SCC accepted these corporate contributions in violation of 2 U.S.C. § 441b.

Under 11 C.F.R. § 106.1(e) Party Committees which have established Federal Campaign Committees shall allocate administrative expenses on a reasonable basis between their Federal and non-Federal accounts. As noted above in number 4, the auditors calculated the CCC'S share of overhead expenses paid for by the SCC to be \$9,216.94, after adjustment for some reimbursement. The allocable portion of general overhead expenses for the CCC was determined by deriving the ratio of total contributions received by the SCC and CCC to the total contributions received by the CCC and applying that ratio to the total combined overhead expenditures of the SCC and CCC. 3/

The auditors notified the SCC of their administrative expense finding and the SCC submitted statements (attached) which they believe demonstrate that reimbursement has already been made for a reasonable allocation of administrative expenses. The SCC figured allocation by applying the percentage of Federal candidates to state and local candidates in Iowa to total overhead expenses. However the Audit staff and the Office of General Counsel believe that the SCC'S calculations were not made on a reasonable basis since the number of Federal versus state and local candidates does not necessarily represent the extent of Committee activity with regard to either category of candidates. Furthermore, the allocable amount of overhead expenses claimed by the SCC is incorrect. The SCC, using their own formula, made a mathematical error in calculating the allocable overhead.

We believe that the SCC has violated 11 C.F.R. § 106.1 (e) by failing to allocate administrative expenses between itself and the CCC and that the CCC has violated 2 U.S.C. § 441b by accepting indirect corporate contributions by virtue of the SCC'S in-kind contribution of payment of administrative expenses.

3/ This method of allocation was accepted by the Commission September 8, 1977, and is described further in a guideline entitled, "Formula for Allocation of Administrative Expenses Between Federal and Non-Federal Accounts."

Finally, the auditors found during the audit of the CCC that it had accepted 3 contributions totaling \$700 from businesses verified as incorporated. The Finance Director of the CCC states that these contributions were accepted in error because all business contributions were checked with the Secretary of State prior to deposit. According to the Commission's policy on corporate contributions, we recommend that reason to believe be found against the CCC and the three contributors.

While the transfer in excess of \$1,000 from SCC to the CCC would ordinarily be referred to the Reports Analysis Division in accordance with Directive 19, the Office of General believes that, in this instance, the number and seriousness of the combined violations warrants their treatment in a MUR.

Recommendations

1. Find reason to believe the Idaho Republican State Central Committee violated: 2 U.S.C. §§ 433 and 434 for failure to register and report: 2 U.S.C. 441b for acceptance of corporate contributions: and 11 C.F.R. 106.1(e) for failure to allocate administrative expenses.
2. Find reason to believe the Idaho Republican Congressional Campaign Committee violated 2 U.S.C. § 441b by accepting the in-kind contribution of payment for administrative expenses by the Idaho Republican State Central Committee and for acceptance of corporate contributions from Stoddard Transfer and Fuel, Moscow Vision Clinic, P.A. and Ratliffe Realty.
3. Find reason to believe that Stoddard Transfer and Fuel, Moscow Vision Clinic, P.A., and Ratliffe Realty violated 2 U.S.C. § 441b by making corporate contributions to the Idaho Republican Congressional Campaign Committee.

Attachments:

Response of Idaho Republican State Central Committee to auditors' allocation of administration costs
4 Letters

ATTACHMENT I

REPORT OF GENERAL ADMINISTRATIVE COSTS ALLOCATION OF IDAHO STATE REPUBLICAN HEADQUARTERS TO THE FEDERAL CANDIDATE FUND

1976 Headquarters Operational Cost \$76,156.00

Election Campaign Priority as Approved by Central Committee

- 1st. Legislative Races
- 2nd. Local Elections/party structure
- 3rd. Congressional Races

With over 100 local and statewide candidates being worked with from State Headquarters, and two Federal Candidates running, the factor of 2/100 is used in determining the percentage of costs pro-rated to the Federal Candidates

1 week of Executive Director on Connally Fund Raiser \$381.00

2/100 of total Headquarters Operational costs for 1976 83.32

24 Hours for 1976 Bookkeeping costs 240.00

\$704.92

These costs were returned to the Headquarters Fund in the final check closing the Federal Account in the amount of \$1200.00. All other costs have already been pro-rated and collected, in our opinion.

Helen Chenoweth
Helen Chenoweth
Past Executive Director

Approved by:

Vernon R. Linder
Vernon R. Linder
Past State Chairman

R. M. Linder
R. M. Linder
Past State Chairman

I have reviewed the report and find it to be correct and complete.

ATTACHMENT II

May 22, 1978

To Whom It May Concern:

Administrative cost for the Phil Crane fundraiser are accounted for in the finance statement, and the Executive Directors time for the John Connally reception at the Duane Hagedorn home in June of 1976 amounted to a total of one (1) week. Most of the work was done by volunteer effort.

John Chinnorth

Helen Chenoweth
Past Executive Director

Approved by:

Vernon Ravenscroft
Past State Chairman

... 7 : 8 : 167



FEDERAL ELECTION COMMISSION

1125 K STREET, N.W.
WASHINGTON, D.C. 20543

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Melissa Nelson, Treasurer
Idaho Republican Congressional Campaign Committee
Idaho Republican State Central Committee
Simplot Building
8th and Idaho Street
Boise, Idaho 83702

Re: MUR 951

Dear Mrs. Nelson:

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 found reason to believe that the Idaho Republican State Central Committee ("SCC") has violated: 2 U.S.C. § 433 and 434 by failing to register and report as a political committee; 2 U.S.C. § 441b by accepting corporate contributions and 11 C.F.R. 106.1(e) by failing to allocate administrative expenses between itself and the Idaho Republican Congressional Campaign Committee.

The Commission has also found reason to believe the Idaho Republican Congressional Campaign Committee ("CCC") violated 2 U.S.C. § 441b by accepting an in-kind contribution from the SCC in the form of payment by the SCC of the CCC's operating expenses and by accepting direct corporate contributions.

Under 2 U.S.C. § 441(d) a political committee is any committee which receives contributions or makes expenditures in connection with Federal elections during a calendar year in an aggregate amount exceeding \$1,000. During the course of auditing the CCC, the auditor's notes

that the SCC was involved in the following Federal activity in 1976:

- 1) The SCC made a transfer of \$3,282 to the CCC.
- 2) The SCC made payments for photography and filming of commercials totaling \$520.01 on behalf of a Congressional Candidate.
- 3) The SCC paid rental and supply expenses on behalf of 2 Congressional Candidates in connection with a storefront campaign headquarters. These expenses totalled \$2746.78 (although \$1,373.89 has been reimbursed).
- 4) The SCC paid general administrative expenses allocable to the CCC totaling, by the Commission's estimate, \$13,071.75. Of this amount, the Commission recognizes the CCC's reimbursement of \$2,128.00 for two Federal fundraisers and a transfer of \$1,726.81 in residual funds thereby reducing the aforementioned total of general administrative expenses contributed to \$9,216.24 ^{1/}

This total, therefore, of the SCC's activity in connection with Federal elections stands at \$15,766.73. Under

^{1/} The Commission has reviewed the SCC's statement of administrative expenses owing by the SCC and on the number of local and statewide candidates as compared to the number of Federal candidates in 1976 in Idaho. The Commission does not accept this formula as a means of deriving a reasonable allocation for overhead expenses because the number of Federal versus state and local candidates is not indicative of the extent of the party's activity with respect to either category of candidates. The Commission believed that a comparison must be made between receipts or expenditures on the State and Federal campaign in order to derive a realistic picture of the activity of the Party. The calculation made by the auditor was made by analysis of the party's statement.

2 U.S.C. §§ 433 and 434 any committee which qualifies as a political committee must register and report as a political committee. The SCC failed to do so in 1976 when it qualified as a political committee.

Having qualified as a political committee the SCC was not permitted under 2 U.S.C. § 441b to accept corporate contributions. The auditors noted that the SCC accepted 7 contributions totaling \$855 from verified corporations and deposited these monies in the account from which the \$3,282 transfer was made to the CCC. These contributions were accepted in violation of 2 U.S.C. § 441b.

Under 11 C.F.R. § 106.1(e) Party Committees shall allocate administrative expenses on a reasonable basis between their Federal and non-Federal accounts. As noted above, the Commission does not believe that the SCC allocated administrative expenses on a reasonable basis between itself and the CCC.

The Commission also found reason to believe that the CCC, a Federal political committee, violated 2 U.S.C. § 441b by accepting an in-kind contribution from the SCC in the form of payment by the SCC of CCC's operating expenses. For purposes of 2 U.S.C. § 441b a contribution includes any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any service, or anything of value to any candidate, campaign committee, political party or organization. In this case, the SCC's payment of administrative expenses on behalf of the CCC constitutes an indirect contribution from a committee which accepts corporate contributions. Receipt of such a contribution violates 2 U.S.C. § 441b. Moreover, acceptance of direct corporate contributions by the CCC is also in violation of 2 U.S.C. § 441b. The auditors noted that the CCC accepted corporate contributions from Gladwin Transfer and Pacht, Monahan Vision Office, S.A. and others.

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 be taken. As part of this process, please provide us with any relevant factual materials which you deem relevant to the Commission's investigation of this matter. We would appreciate your response within 10 days of receipt of this letter.

If no response is received within that time the Commission may proceed on the basis of the information at hand.

This letter of notification will remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you wish the investigation to be made public. The staff member assigned to this matter is Clare Lindsay, (telephone (202) 523-4060).

Sincerely,

William C. Oldaker
General Counsel

1181171



FEDERAL ELECTION COMMISSION

1275 N. ST. N.W.
WASHINGTON, D.C. 20543

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Harold L. Damiano
Stoddard Transfer and Fuel
218 Lakeside Avenue
P.O. Box 970
Coeur D'Alene, Idaho 83814

Re: MUR 951

Dear Mr. Damiano:

This letter is to notify you that the Commission has found reason to believe that Stoddard Transfer and Fuel violated 2 U.S.C. § 441b by making a \$200 corporate contribution to the Idaho Republican Congressional Campaign Committee, a Federal committee registered with this Commission. 2 U.S.C. § 441b forbids corporations from making contributions or expenditures in connection with any election for Federal office.

Even without a finding of 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 be taken. As part of this process please submit any legal or factual materials which you deem relevant to the Commission's investigation of this matter within 10 days.

This letter will remain confidential in accordance with 2 U.S.C. § 4374(a)(3) unless you advise the Commission in writing that you wish the investigation conducted publicly. The staff member assigned to this matter is Cheryl Anderson, telephone, (202) 527-4860.

Sincerely,

William C. Singer
General Counsel



FEDERAL ELECTION COMMISSION

1100 N. STREET, N.W.
WASHINGTON, D.C. 20543

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James V. Ratliffe
Ratliffe Realty
Rt. 4, Box 612
Coeur D'Alene, Idaho 83814

Re: MUR 951

Dear Mr. Ratliffe:

This letter is to notify you that the Commission has found reason to believe that Ratliffe Realty violated 2 U.S.C. § 441b by making a \$300 corporate contribution to the Idaho Republican Congressional Campaign Committee, a Federal committee registered with this Commission. 2 U.S.C. § 441b forbids corporations from making contributions or expenditures in connection with any election for Federal office.

When making a finding of 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 be taken. As part of this process, please submit any legal or factual materials which you deem relevant to the Commission's investigation of this matter within 10 days.

This letter will remain confidential in accordance with 2 U.S.C. § 437(f)(3) unless you state to the Commission in writing that you want the investigation to be public. The staff member assigned to this matter is John F. Smith, (Bellevue, (202) 323-4000).

Sincerely,

William C. Glidder
General Counsel



FEDERAL ELECTION COMMISSION

125 K STREET NW
WASHINGTON, DC 20543

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Wm. B. Durban, M.D.
Moscow Vision Clinic, P.A.
604 S. Washington
Moscow, Idaho 83843

Re: MUR 951

Dear Mr. Durban:

This letter is to notify you that the Commission has found reason to believe that Moscow Vision Clinic, P.A. violated 2 U.S.C. § 441b by making a \$200 corporate contribution to the Idaho Republican Congressional Campaign Committee, a Federal committee registered with this Commission. 2 U.S.C. § 441b forbids corporations from making contributions or expenditures in connection with any election for Federal office.

Upon making a finding of reason to believe that a violation has occurred the Commission is required to make an investigation and to afford you a reasonable opportunity to present evidence that no action be taken. As part of this process, please submit any legal or factual materials which you deem relevant to the Commission's investigation. Please do this within 10 days.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(d)(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 [redacted], telephone, (202) 521-4366.

Sincerely,

William J. Blitzer
General Counsel



FEDERAL ELECTION COMMISSION

March 20, 1979

MEMORANDUM

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER *OB.P.*
STAFF DIRECTOR

FROM: *RP* BOB COSTA/CRAIG RUSSELL *PL For*

SUBJECT: AUDIT OF THE IDAHO REPUBLICAN
CONGRESSIONAL CAMPAIGN COMMITTEE

During the audit of the above Committee, certain matters were noted which are being referred to your office for legal review and concurrence with our recommendations as stated.

Introduction

The Idaho Republican Congressional Campaign Committee (the Federal Committee) registered with the Clerk of the U.S. House of Representatives on October 18, 1974 as the separate Federal campaign committee for the Idaho Republican State Central Committee ("SCC"), an unregistered State-level party organization. The Federal Committee filed a termination report for the period ending December 31, 1976 on May 17, 1977. It re-registered with the Commission on October 31, 1977, as the Idaho Republican State Central Committee 1/. Our audit therefore, covered the period January 1, 1976 through March 31, 1978, the closing date of the latest report filed by the Federal Committee at the time of the audit. Although the Federal Committee was not registered as a political committee during the period January 1, 1977 through October 31, 1977, we reviewed SCC activity to determine whether or not it supported Federal candidates during this period. In addition, due to inter-Committee transactions during 1976, SCC records were reviewed through December 31, 1976. The Federal Committee maintained four (4) bank accounts during 1976 (three (3) checking and a savings account), now closed. A new checking account has been in use by the Federal Committee since October 1, 1977. The SCC maintained two (2) fund/accounts during 1976: a Headquarters account and a State Affairs account.

1/ Committee officials refer to this Committee as the "National Account" to distinguish it from the "SCC".

A. Acceptance of Prohibited Contributions

Our review of the Federal Committee's receipt records, which included copies of contributor checks, revealed contributions received from 22 business entities. On-site verification with the Idaho Secretary of State confirmed that three (3) of the businesses, making three (3) contributions totaling \$700.00, were of corporate origin as of the dates of the contributions. When the matter was brought to the attention of the Finance Director, he stated that the Federal Committee conferred with the Secretary of State on all business entity contributions prior to accepting them, and that these few were accepted in error. However, our review produced no records to document this procedure.

The contributors were as follows:

<u>Corporation</u>	<u>Date of Incorporation</u>	<u>Amount 2/</u>
Stoddard Transfer & Fuel 218 Lakeside Ave. P.O. Box 970 Couer D'Alene, ID 83814	12/24/59	\$200.00
Moscow Vision Clinic, P.A. 604 S. Washington Moscow, ID 83843	3/25/76	\$200.00
Ratliffe Realty Route 4, Box 6R Couer D'Alene ID 83814	7/27/72	\$300.00

We indicated to Committee officials that this appeared to be a violation of 2 U.S.C. 441b(a) which prohibits political committees from accepting contributions from corporations. When discussing the necessity of a refund, Committee officials inquired whether a transfer of the prohibited contributions to the SCC (where they are acceptable under Idaho law), rather than a refund to the contributors, would be acceptable. If that is the case, they inquired further as to whether a portion of a \$1,726.81 transfer of residual funds upon termination, made in October of 1976 from the Federal Committee to the SCC, could be attributed for this purpose.

2/ All three (3) contributions were deposited by the Committee on August 2, 1976.

Recommendation

The Audit staff recommends that the Committee be permitted to retroactively allocate \$700 of the residual funds transfer for the purpose of complying with this finding. Based on this we would recommend no further action be required of the Committee.

B. Allocation of Administrative Expenses

Our examination revealed that, for the audit period from January 1 to December 31, 1976, SCC staff members performed most of the administrative and fundraising functions for the Federal Committee out of office space rented at SCC expense. For the audit period from re-registration, 10/1/77-3/31/78, we found that the Federal Committee's organizational director, whose salary is paid by the Federal Committee under a grant arrangement with the RNC, shared office space with the SCC. Our review of Federal Committee expenditures revealed that, with the exception of direct fundraiser costs as indicated below, no reimbursements for allocated general administrative expenses were made from the Federal Committee to the SCC for either period, as required of Party committees with Federal campaign committees by Section 106.1(c) of the Commission's Regulations.

Our analysis of overall administrative expenses for 1976, based in part on the SCC 12/31/76 Financial Report, and the period 10/1/77-3/31/78, determined \$13,071.75 as a reasonable total for general administrative expenses (incurred by the SCC) allocable to the Federal Committee. This figure was derived using the percentage of receipts raised for Federal purposes to the total of receipts for Federal, State and local purposes, and for the period 10/1/77-3/31/78, Federal Committee share of SCC office space. In contrast, our review of Federal Committee expenditures disclosed that only \$2,128.00 of general administrative expenses were reimbursed by the Federal Committee to the SCC, in connection with staff time and support services provided by the SCC for the two (2) Federal fundraisers in 1976.

Furthermore, our review of SCC records disclosed that contributions from seven (7) corporations, totaling \$885.00, had been deposited into the same account in 1976 from which the administrative expenses were paid.

In response to this finding, past SCC officials have submitted statements (see Attachments I and II) attempting to show that reimbursement has already been made for a reasonable allocation of administrative expenses based on the percentage of the number of Federal candidates to the number of local and statewide candidates. The Audit staff believes the response to date is inadequate because: 1) the basis used by the SCC to determine the reimbursable amount is not an accurate measure, in our opinion, of staff time and services devoted to each category, and 2) after developing its own basis, the SCC has made an apparent mathematical error in its application.

In our opinion, failure by the Federal Committee to reimburse the SCC for a reasonable portion of general administrative expense attributable to Federal purposes represents a subsidization of Federal election activity by state funds, and, as such, constitutes apparent violations of Sections 106.1(e) and 102.6(b)(2) of the Commission's Regulations. In addition, the SCC has apparently subsidized Federal activity with funds commingled with contributions prohibited under the Act.

Recommendation

The Audit staff recommends that the Federal Committee, barring the submissions of any additional satisfactory explanatory material, be required to reimburse the SCC for the balance of the unreimbursed Federal share of administrative expenses as determined above for the period 1/1/76 to 3/31/78; less the unallocated portion of the residual funds transfer referred to in Section A: $(\$10,943.75 - \$1,026.31) = \$9,916.94$. In addition, it is recommended that the Federal Committee be required to provide evidence of the reimbursement to the Audit Division.

C. Federal Activity by the Idaho Republican State Central Committee

Our audit of the Federal Committee and partial review of SCC records indicated that SCC funds were expended in connection with Federal election activity as follows:

- 1) 9/7/76 transfer of 20% of monies received by the SCC under Idaho's tax check-off system to the Federal Committee. \$ 3,282.00
 - 2) Expenditures undertaken by the SCC on behalf of Federal candidates between 1/30 and 12/22/76. 520.01
 - 3) Expenditures by the SCC on behalf of Federal candidates in connection with a storefront campaign headquarters for local, state, and Federal candidates. 3/ (9/76) 2,747.78
 - 4) Unpaid balance of 1976 SCC general administrative expenses allocable to the Federal Committee (see Finding B). \$ 9,916.94
- Total of apparent federal activity by SCC: \$16,466.73

The SCC received \$16,408.98 from the State of Idaho under their election check-off provisions in two (2) installments on 8/3/76 and 8/19/76, which were deposited into the SCC Headquarters account. These funds represent voluntary \$1 and \$2 political contributions as designated by residents of Idaho on their State income tax returns. On September 7, 1976, \$3,282 (20%) was transferred to the Federal Committee as had been previously designated by the SCC Executive Committee.

It is our opinion that the above transfer and expenditures by the SCC influenced Federal election activity and, accordingly, qualified the SCC as a political committee subject to the registration and reporting requirements of Sections 433 and 434 of the Act. However, the SCC has not registered with the Commission nor filed any reports of its financial activity.

In addition, our review of SCC records disclosed that seven (7) businesses, verified as corporations with the Idaho Secretary of State, made contributions totaling \$885.00, which were deposited in the SCC Headquarter's account, from which the transfer indicated above had been made. Five (5) of these contributions had been deposited in error to the Federal Committee and transferred in a reasonable period to the SCC.

3/ represents payment of rental and supply expenses totaling \$1,373.89 on behalf of each of the Republican candidates for the House during the 1976 general election campaign. As of the date of fieldwork, one (1) candidate has repaid his amount to the SCC; the other is shown as an account receivable on SCC's books.

From these facts it is apparent that the SCC has engaged in Federal activity with funds which were commingled with contributions prohibited under the Act. Since it is our opinion the SCC should be viewed as a political committee for Federal purposes for 1976, the SCC has apparently violated 2 U.S.C. 441b(a) by accepting corporate contributions.

In accordance with current procedures provided for in Directive 19, we would ordinarily refer items 1) and 4) above to the Reports Analysis Division due to the fact that they represent transfers in excess of \$1,000 received from an unregistered committee (the SCC). However, because of the magnitude and apparent complexity of these and other issues raised in this memorandum, we would propose to do so only with your concurrence that the referral would be appropriate at this time.

If you have any questions on the matters contained herein, please contact Craig Russell or Jim Commeree at extension 3-4155.

Attachments as stated

ATTACHMENT I

REPORT OF GENERAL ADMINISTRATIVE COSTS ALLOCATION OF IDAHO STATE REPUBLICAN HEADQUARTERS TO THE FEDERAL CANDIDATE FUND

1976 Headquarters Operational Cost \$76,156.00

Election Campaign Priority as Approved by Central Committee

- 1st. Legislative Races
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1 week of Executive Director on Connally Fund Raiser \$381.00

2/100 of total Headquarters Operational costs for 1976 83.32 *

24 Hours for 1976 Bookkeeping costs - 240.00

\$704.92

These costs were returned to the Headquarters Fund in the final check closing the Federal Account in the amount of \$1200.00. All other costs have already been pro-rated and collected, in our opinion.

Helen Chenoweth
Helen Chenoweth
Past Executive Director

Approved by:

Vernon Ravenscroft
Vernon Ravenscroft
Past State Chairman

R. M. Larson
R. M. Larson
Past State Finance Chairman

Amount \$704.92

* According to report
to Washington, the total
amount is \$704.92, with
100% transfer to \$1,144.72

ATTACHMENT II

May 22, 1978

To Whom It May Concern:

Administrative cost for the Phil Crane fundraiser are accounted for in the finance statement, and the Executive Directors time for the John Connally reception at the Duane Hagedorn home in June of 1976 amounted to a total of one (1) week. Most of the work was done by volunteer effort.

Helen Chenoweth

Helen Chenoweth
Past Executive Director

Approved by:

Vernon Ravenscroft
Vernon Ravenscroft
Past State Chairman



FEDERAL ELECTION COMMISSION

125 K STREET NW
WASHINGTON, D.C. 20461

THIS IS THE BEGINNING OF OUR # 951

Date Filmed 2/26/80 Camera No. --- 2

Cameraman G.P.C.