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Attorney at Law  
322 State Street, Ste 301  
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May 27, 1997

Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

MAY 29 12:22 PM '97

RE: MUR 4634

Dear Commissioners,

I have been designated to represent Eagle Forum PAC in connection with MUR 4634. MUR 4634 concerns certain activities in support of Senator Sam Brownback of Kansas, who won the Republican nomination and was elected to the U.S. Senate on November 5, 1996.

MUR 4634 originated in a complaint filed by Micheline Z. Burger on May 5, 1997. Ms. Burger alleges that contributions made by Senator Brownback's wife's parents, Mr. and Mrs. John H. Stauffer, to certain political committees, including Eagle Forum PAC, may have been unlawfully "earmarked" by using those committees as a "conduit" for excessive contributions to Senator Brownback.

Background

Eagle Forum PAC (C00103937) is a multicandidate PAC which first registered as such with the Federal Election Commission on September 26, 1978, and has filed all required reports since then. Eagle Forum PAC filed an amended statement of organization on July 1, 1982. Eagle Forum PAC is the separate segregated fund of an incorporated not-for-profit membership organization, Eagle Forum.

During the 1995-96 election cycle --

\* Eagle Forum PAC received \$322,825 in contributions from about 3,200 individual donors.

\* Eagle Forum PAC disbursed \$232,250 in direct or in-kind transfers to 109 separate candidates for federal office.

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\* At all times from mid-March until mid-October, 1996, Eagle Forum PAC's bank balance exceeded \$100,000.

Decisions to support or oppose a candidate are made by the officers of Eagle Forum PAC's connected organization, Eagle Forum, based on a review of the candidate's positions (or voting record, if an incumbent) and likelihood of winning. All such decisions are made without regard to any specific contributions Eagle Forum PAC may have received.

No contribution received by Eagle Forum PAC was earmarked in any way, express or implied, for any candidate. No contribution made by Eagle Forum PAC to any candidate was induced by the receipt of a contributor's contribution.

#### Eagle Forum PAC support for Brownback

From the moment Senator Bob Dole announced his surprise decision to resign his seat in the Senate, members of Eagle Forum considered Rep. Sam Brownback to be the leading candidate to succeed Senator Dole. Individual members of Eagle Forum had supported Brownback when he ran for Congress in 1994. In fact, Rep. Brownback's stature was such that the Kansas Governor was expected to appoint Rep. Brownback to fill Senator Dole's unexpired term.

Senator Dole resigned his seat on June 11, 1996. Eagle Forum members were stunned when the Governor unexpectedly appointed Sheila Frahm to Senator Dole's seat. Nevertheless, Rep. Brownback immediately announced his intention to challenge Frahm in the primary to be held August 6.

Eagle Forum PAC contributed \$4,000 to the Brownback campaign on July 2. On July 11, Eagle Forum mailed letters to its members in Kansas, urging them to vote for Brownback in the August 6 primary election. The cost of mailing those letters was paid for by Eagle Forum PAC and reported as an "administrative" expenditure.

In the general election campaign, Eagle Forum PAC made additional contributions to the Brownback campaign: \$1,000 on September 11; \$1,000 on October 11; and \$1,000 on October 25, 1996.

On September 30 and October 2, Eagle Forum mailed letters to its members in Kansas, urging them to vote for Brownback for U.S. Senate. The same letters also endorsed Congressional candidates in Kansas's 2nd, 3rd, and 4th districts. The cost of mailing those letters was paid for by Eagle Forum PAC and reported as an "administrative" expenditure.

#### Receipt from the Stauffers

Eagle Forum PAC received a \$2,500 contribution from Mr. John H. Stauffer and a \$2,500 contribution from Mrs. Stauffer on July 10, 1996. These contributions were entirely unrestricted. Neither Mr. or Mrs. Stauffer nor anyone acting on their behalf made any suggestion, request, instruction, or condition, express or implied, as to how they wanted that money spent. No one in Eagle Forum made any promise or prediction to the Stauffers concerning expenditures Eagle Forum PAC would make.

During all relevant times, no person associated with Eagle Forum knew the Stauffers, or ever corresponded or spoke with them, or with anyone purporting to represent them. It never occurred to anyone at Eagle Forum that there might be a relationship between the Stauffers and then-Representative Brownback. We first learned of the relationship from Mr. James Kuhnenn, a reporter for the Kansas City Star, two days before the Star published his article on March 15, 1997.

With the large volume of contributions we were receiving, and the large number of candidates we were supporting during that busy election year, and the ample bank balance Eagle Forum PAC was carrying, no one associated with Eagle Forum suspected that Eagle Forum PAC had received (or would receive) a contribution from the in-laws of a candidate. And of course, no one at Eagle Forum had any knowledge whatsoever concerning any other political contributions that the Stauffers may have made.

### Conclusion

There is no basis for any inference that the contributions Eagle Forum PAC received from Mr. and Mrs. John H. Stauffer were earmarked for the campaign of Senator Brownback, or that Eagle Forum PAC acted as a conduit for such contributions, or that any of Eagle Forum PAC's expenditures in behalf of Senator Brownback depended upon the receipt of contributions from Mr. and Mrs. Stauffer. The receipt and expenditures were entirely unrelated.

Sincerely,



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# STATEMENT OF DESIGNATION OF COUNSEL

MUR 4634

NAME OF COUNSEL: John F. Schlafly

FIRM: \_\_\_\_\_

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The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

5/27/97  
Date

Margaret Gaul, treasurer  
Signature

RESPONDENT'S NAME: Margaret Gaul

ADDRESS: Eagle Forum PAC

PO Box 618

Alton, IL 62002

TELEPHONE: HOME ( ) \_\_\_\_\_

BUSINESS ( ) \_\_\_\_\_

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