FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 1039

Date Filmed 4/22/81 Camera No. --- 2

Cameraman SPC

MUR 1039 - Edwards

PS Form 3811, Jan. 1978

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

1. The following service is requested (check one.)
- ☐ Show to whom and date delivered. ..... ¢
- ☐ Show to whom, date and address of delivery..... ¢
- ☐ RESTRICTED DELIVERY
  Show to whom and date delivered..... ¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery.$____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
John H. Emery

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	949528	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐Addressee ☐Authorized agent
[signature]

4. DATE OF DELIVERY

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

BEDFORD, OHIO MAR 27 1981 U.S. POSTMASTER

CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

☆GPO : 1978-288-848

MUR 1039 CE

PS Form 3811, Jan. 1978

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

1. The following service is requested (check one.)
- ☐ Show to whom and date delivered. ..... ¢
- ☐ Show to whom, date and address of delivery..... ¢
- ☐ RESTRICTED DELIVERY
  Show to whom and date delivered..... ¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery.$____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Gary Van Decker

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	994531	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐Addressee ☐Authorized agent
[signature]

4. DATE OF DELIVERY 3/26/81

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

POSTMARK 1981 26

81 MAR30 A8:46

CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

☆GPO : 1978-288-848

MUR 1039 - Edwards

PS Form 3811, Jan. 1978

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
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1. The following service is requested (check one.)
- ☐ Show to whom and date delivered.....¢
- ☐ Show to whom, date and address of delivery.....¢
- ☐ RESTRICTED DELIVERY
  Show to whom and date delivered.....¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery.$____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
John H. Ewerz

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
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(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY POSTMARK

BALTIMORE MD MAR 27 1981 USPO

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

MY

☆GPO : 1979-283-848

MUR 1039 CP

PS Form 3811, Jan. 1978

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

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

1. The following service is requested (check one.)
- ☐ Show to whom and date delivered.....¢
- ☐ Show to whom, date and address of delivery.....¢
- ☐ RESTRICTED DELIVERY
  Show to whom and date delivered.....¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery.$____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Walter T. Peters

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	949509	

(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY POSTMARK

TR. TON, NJ DOWNTOWN STA MAR 26 1981 USPO

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

☆GPO : 1979-283-848

MUR 1039 ✓ CE

PS Form 3811, Jan 1979

● SENDER: Complete items 1, 2, and 3.
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1. The following service is requested (check one.)
- ☐ Show to whom and date delivered..... ___¢
- ☐ Show to whom, date and address of delivery.... ___¢
- ☐ RESTRICTED DELIVERY
  Show to whom and date delivered..... ___¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery.$___

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

John T. Fogarty

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	949552	

(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY | POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: | CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

☆GPO : 1979-288-848

MUR 1039 Edwards

PS Form 3811, Jan 1979

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

1. The following service is requested (check one.) ✓
- ☐ Show to whom and date delivered..... ___¢
- ☐ Show to whom, date and address of delivery.... ___¢
- ☐ RESTRICTED DELIVERY
  Show to whom and date delivered..... ___¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery.$___

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

John H. Ewing

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	949537	

(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY | POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: | CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

☆GPO : 1979-300-469

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 24, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John T. Fogarty
Schering-Plough, Inc.
2000 Galloping Hill Road
Kenilworth, New Jersey 07032

RE: MUR 1039

Dear Mr. Fogarty:

On March 20, 1981, the Commission found reason to believe that your corporation violated section 441b of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 10 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission reminds you that your corporate contribution nevertheless appears to be a violation of the Act and you should take immediate steps to insure that this activity does not occur in the future.

A report on the Commission's finding is attached for your information.

If you have any questions, please direct them to Conley Edwards, Jr. at 202/523-4060.

Sincerely,

John Warren McGarry

JOHN WARREN McGARRY
Chairman

Enclosure

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE March 24, 1981

MUR NO. 1039

STAFF MEMBER(S) & TEL. NO.

RESPONDENT Schering-Plough, Inc.

Conley Edwards, Jr.

(202) 523-4060

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Republican Party of New Jersey (RPONJ) and the '76 Campaign Dinner ('76 CD).

The audit for the Republican Party of New Jersey and the '76 Campaign Dinner covered the period commencing September 1, 1976, through December 31, 1976. The records of the New Jersey Republican Finance Committee (RFC) were reviewed through 1978.

FACTUAL AND LEGAL ANALYSIS

2 U.S.C. § 441b expressly forbids any contributions and/or expenditures of corporate funds in connection with any election of any federal candidate or for any federal candidate to knowingly accept, receive, or expend any corporate funds in connection with any federal election.

On October 27, 1976, Schering-Plough, Inc., made a $100.00 corporate contribution to the '76 Campaign Dinner committee.

Therefore, the General Counsel recommends that the Commission find reason to believe that Schering-Plough, Inc., violated 2 U.S.C. § 441b by making a $100.00 corporate contribution to the '76 Campaign Dinner committee; but no further action should be taken and the file should be closed.

RECOMMENDATION

1. Find reason to believe that Schering-Plough, Inc., violated 2 U.S.C. § 441b.

2. Take no further action and close the file.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 24, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gary Van Decker
Van Decker Brothers, Inc.
1501 Valley Road
Wayne, New Jersey 07470

RE: MUR 1039

Dear Mr. Van Decker:

On March 20, 1981, the Commission found reason to believe that your corporation violated section 441b of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission reminds you that your corporate contribution nevertheless appears to be a violation of the Act and you should take immediate steps to insure that this activity does not occur in the future.

A report on the Commission's finding is attached for your information.

If you have any questions, please direct them to Conley Edwards, Jr. at 202/523-4060.

Sincerely,

John Warren McGarry

JOHN WARREN McGARRY
Chairman

Enclosure

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE March 24, 1981

MUR NO. 1039

STAFF MEMBER(S) & TEL. NO.

RESPONDENT Van Decker Brothers, Inc.

Conley Edwards, Jr.

(202) 523-4060

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Republican Party of New Jersey (RPONJ) and the '76 Campaign Dinner ('76 CD).

The audit for the Republican Party of New Jersey and the '76 Campaign Dinner covered the period commencing September 1, 1976, through December 31, 1976. The records of the New Jersey Republican Finance Committee (RFC) were reviewed through 1978.

FACTUAL AND LEGAL ANALYSIS

2 U.S.C. § 441b expressly forbids any contributions and/or expenditures of corporate funds in connection with any election of any federal candidate or for any federal candidate to knowingly accept, receive, or expend any corporate funds in connection with any federal election.

On October 31, 1976, Van Decker Brothers, Inc., made a $100.00 corporate contribution to the Republican Party of New Jersey.

Therefore, the General Counsel recommends that the Commission find reason to believe that Van Decker Brothers, Inc., violated 2 U.S.C. § 441b by making a $100.00 corporate contribution to the Republican Party of New Jersey; but no further action should be taken and the file should be closed.

RECOMMENDATION

1. Find reason to believe that Van Decker Brothers, Inc., violated 2 U.S.C. § 441b.

2. Take no further action and close the file.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 24, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Michael Campenni, Treasurer
Citizens to Elect Campenni
c/o Bayonne City Republican Club
629 Broadway
Bayonne, New Jersey

RE: MUR 1039

Dear Mr. Campenni:

On March 20, 1981, the Federal Election Commission determined that there is reason to believe that your Committee violated section 441a(f) of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission reminds you that your Committee's acceptance of contributions exceeding the $1,000.00 per election contribution limitation nevertheless appears to be a violation of the Act and you should take immediate steps to insure that this activity does not occur in the future.

A report on the Commission's finding is attached for your information.

If you have any questions, please direct them to Conley Edwards, Jr. at 202/523-4000.

Sincerely,

John Warren McGarry

JOHN WARREN McGARRY
Chairman

Enclosure

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE March 24, 1981

MUR NO. 1039

STAFF MEMBER(S) & TEL NO.

Conley Edwards, Jr.

(202) 523-4060

RESPONDENT Citizens to Elect Campenni

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Republican Party of New Jersey (RPONJ) and the '76 Campaign Dinner ('76 CD).

The audit for the Republican Party of New Jersey and the '76 Campaign Dinner covered the period commencing September 1, 1976, through December 31, 1976. The records of the New Jersey Republican Finance Committee (RFC) were reviewed through 1978.

These audits revealed that the '76 CD and its affiliated political committee, the RPONJ, violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive joint contribution to the Citizens to Elect Campenni.

FACTUAL AND LEGAL ANALYSIS

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceed $1,000. Additionally, 2 U.S.C. § 441a(f) provides that a political committee shall not knowingly accept an excessive contribution in violation of the contribution and expenditure limitation.

On October 26, and November 1, 1976, the '76 CD and the RPONJ jointly contributed a total of $1,250.00 to the Citizens to Elect Campenni.

Therefore, the General Counsel recommends that the Commission find reason to believe that in 1976 the Citizens to Elect Campenni violated 2 U.S.C. § 441a(f) by accepting a joint contribution in excess of the $1,000.00 contribution limitation from two affiliated political committees, the Republican Party of New Jersey and the '76 Campaign Dinner committee; but no further action should be taken and the file should be closed.

RECOMMENDATION

1. Find reason to believe that in 1976 the Citizens to Elect Campenni violated 2 U.S.C. § 441a(f).

2. Take no further action and close the file.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 24, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Walter T. Peters, Treasurer
Norcross for U.S. Senate
2201 State Highway, #38
Cherry Hill, New Jersey 08034

RE: MUR 1039

Dear Mr. Peters:

On March 20, 1981, the Commission found reason to believe that your Committee violated section 441a(f) of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection wit the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission reminds you that your Committee's acceptance of a contribution in excess of the $1,000.00 per election contribution limitation nevertheless appears to be a violation of the Act and you should take immediate steps to insure that this activity does not occur in the future.

A report on the Commission's finding is attached for your information.

If you have any questions, please direct them to Conley Edwards, Jr. at 202/523-4060.

Sincerely,

John Warren McGarry

JOHN WARREN McGARRY
Chairman

Enclosure

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE March 24, 1981

MUR NO. 1039

STAFF MEMBER(S) & TEL. NO.

RESPONDENT Norcross for U.S. Senate Committee

Conley Edwards, Jr.

(202) 523-4060

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Republican Party of New Jersey (RPONJ) and the '76 Campaign Dinner ('76 CD).

The audit for the RPONJ and the '76 CD covered the period commencing September 1, 1976, through December 31, 1976. The records of the New Jersey Republican Finance Committee (RFC) were reviewed through 1978.

These audits revealed that the RFC and the RPONJ violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Norcross for U.S. Senate Committee. Additionally, the Norcross for U.S. Senate Committee violated 2 U.S.C. § 441a(f) by accepting excessive contributions from the above-stated political committees.

FACTUAL AND LEGAL ANALYSIS

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceed $1,000. Additionally, 2 U.S.C. § 441a(f) provides that a political committee shall not knowingly accept an excessive contribution in violation of the contribution and expenditure limitation.

An audit of the RPONJ has revealed that, on October 25, 1976, the RPONJ transferred/contributed $2,000.00 to the Norcross for U.S. Senate Committee. Furthermore, the audit of the RFC's records revealed that on March 1, 1977, the RFC transferred/contributed $3,614.36 to the Norcross Committee.

Therefore, the General Counsel recommends that the Commission find reason to believe that the Norcross for U.S. Senate Committee violated 2 U.S.C. § 441a(f) by accepting excessive contributions in 1976 from the Republican Party of New Jersey and the New Jersey Republican Finance Committee; but no further action should be taken and the file should be closed.

RECOMMENDATIONS

1. Find reason to believe that in 1976 the Norcross for U.S. Senate Committee violated 2 U.S.C. § 441a(f) by accepting contributions in excess of the $1,000 per election contribution limitation as set forth in 2 U.S.C. § 441a(a)(1)(A) from the Republican Party of New Jersey and the New Jersey Republican Finance Committee.

2. Take no further action and close the file.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 24, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John H. Ewing, Treasurer
'76 Campaign Dinner
Post Office Box 352
Bedminister, New Jersey 07921

RE: MUR 1039

Dear Mr. Ewing:

On March 20, 1981, the Federal Election Commission determined that there is reason to believe that your Committee violated sections 441a(a)(1)(A) and 441b of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. THe file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission reminds you that your contribution in excess of the $1,000.00 per election contribution limitation and your acceptance of corporate contributions nevertheless appear to be violations of the Act and you should take immediate steps to insure that this activity does not occur in the future.

A report on the Commission's finding is attached for your information.

If you have any questions, please direct them to Conley Edwards, Jr. at 202/523-4060.

Sincerely,

John Warren McGarry

JOHN WARREN McGARRY
Chairman

Enclosure

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE March 24, 1981

MUR NO. 1039

STAFF MEMBER(S) & TEL. NO.

RESPONDENT '76 Campaign Dinner

Conley Edwards, Jr.

(202) 523-4060

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Republican Party of New Jersey (RPONJ) and the '76 Campaign Dinner ('76 CD).

The audit for the Republican Party of New Jersey and the '76 Campaign Dinner covered the period commencing September 1, 1976, through December 31, 1976. The records of the New Jersey Republican Finance Committee (RFC) were reviewed through 1978.

These audits revealed that the '76 CD and its affiliate political committee, the RPONJ, violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive joint contribution to the Citizens to Elect Campenni. Additionally, these audits revealed that the '76 CD violated 2 U.S.C. § 441b by accepting a corporate contribution from Schering-Plough, Inc.

FACTUAL AND LEGAL ANALYSIS

A. Excessive Contribution

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceed $1,000. Additionally, 2 U.S.C. § 441a(f) provides that a political committee shall not knowingly accept an excessive contribution in violation of the contribution and expenditure limitation.

On October 26, and November 1, 1976, the '76 CD and the RPONJ jointly contributed a total of $1,250.00 to the Citizens to Elect Campenni.

B. Corporate Contribution

2 U.S.C. § 441b expressly forbids any contributions and/or expenditures of corporate funds in connection with any election of any federal candidate or for any federal candidate to knowingly accept, receive, or expend any corporate funds in connection with any federal election.

On October 27, 1976, the '76 CD received and accepted a $100.00 corporate contribution from a corporate entity, Schering-Plough, Inc. This corporate contribution was subsequently commingled with the '76 CD's other campaign funds and was expended in connection with federal campaigns.

Therefore, the General Counsel recommends that the Commission find reason to believe that in 1976 the '76 Campaign Dinner committee violated 2 U.S.C. § 441a(a)(1)(A) by making, together with the Republican Party of New Jersey, an excessive joint contribution to the Citizens to Elect Campenni; and violated 2 U.S.C. § 441b by accepting a corporate contribution from Schering-Plough, Inc.; but no further action should be taken and the file should be closed.

RECOMMENDATIONS

1. Find reason to believe that the '76 Campaign Dinner committee violated 2 U.S.C. §§ 441a(a)(1)(A) and 441b.

2. Take no further action and close this file.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 24, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John H. Ewing, Treasurer
Republican Party of New Jersey
Post Office Box 352
Bedminister, New Jersey 07921

RE: MUR 1039

Dear Mr. Ewing:

On March 20, 1981, the Commission found reason to believe that your Committee violated sections 441a(a)(1)(A) and 441b of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission reminds you that your contributions in excess of the $1,000.00 per election contribution limitation and acceptance of corporate contributions nevertheless appear to be violations of the Act and you should take immediate steps to insure that this activity does not occur in the future.

A report on the Commission's finding is attached for your information.

If you have any questions, please direct them to Conley Edwards, Jr. at 202/523-4000.

Sincerely,

John Warren McGarry

JOHN WARREN McGARRY
Chairman

Enclosure

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE March 24, 1981

MUR NO. 1039

STAFF MEMBER(S) & TEL. NO.

RESPONDENT Republican Party of New Jersey

Conley Edwards, Jr.

(202) 523-4060

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Republican Party of New Jersey (RPONJ) and the '76 Campaign Dinner ('76 CD).

The audit for the Republican Party of New Jersey and the '76 Campaign Dinner covered the period commencing September 1, 1976, through December 31, 1976. The records of the New Jersey Republican Finance Committee (RFC) were reviewed through 1978.

These audits revealed that the Republican Party of New Jersey violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Norcross for U.S. Senate Committee and by making, together with its affiliated political committee, the '76 CD, an excessive joint contribution to the Citizens to Elect Campenni. These audits also revealed that the RPONJ accepted a corporate contribution in violation of 2 U.S.C. § 441b.

FACTUAL AND LEGAL ANALYSIS

A. Excessive Contribution

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceed $1,000. Additionally 2 U.S.C. § 441a(f) provides that a political committee shall not knowingly accept an excessive contribution in violation of the contribution and expenditure limitation.

On October 24, 1976, the RPONJ transferred $2,000 to the Norcross for U.S. Senate Committee. This contribution combined with the $3,614.36 contribution from the RFC, an affiliate of the RPONJ, resulted in a total excessive contribution to the Norcross for U.S. Senate Committee in the amount of $4,614.36. Additionally, on October 26, and November 1, 1976, the RPONJ and the '76 CD jointly contributed a total of $1,250.00 to the Citizens to Elect Campenni.

B. Corporate Contribution

2 U.S.C. § 441b expressly forbids any contributions and/or expenditures of corporate funds in connection with any election of any federal candidate or for any federal candidate to knowingly accept, receive, or expend any corporate funds in connection with any federal election.

On October 31, 1976, the '76 CD received and accepted a $100.00 corporate contribution from a corporate entity, Van Decker Brothers, Inc. This corporate contribution was subsequently commingled with the RPONJ's other campaign funds and was expended in connection with federal campaigns.

Therefore, the General Counsel recommends that the Commission find reason to believe that in 1976 the Republican Party of New Jersey violated 2 U.S.C. § 441a(a)(1)(A) by contributing in excess of $1,000 per election to the Norcross for U.S. Senate Committee and by contributing, together with the '76 Campaign Dinner committee, an excessive joint contribution to the Citizens to Elect Campenni; and violated 2 U.S.C. § 441b by accepting a corporate contribution from Van Decker Brothers, Inc; but no further action should be taken and the file closed.

RECOMMENDATIONS

1. Find reason to believe that the Republican Party of New Jersey violated 2 U.S.C. §§ 441a(a)(1)(A) and 441b.

2. Take no further action and close the file.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 24, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John H. Ewing, Chairman
New Jersey Republican
Finance Committee
Post Office Box 352
Bedminister, New Jersey 07921

RE: MUR 1039

Dear Mr. Ewing:

On March 20 , 1981, the Commission found reason to believe that your Committee violated sections 441a(a)(1)(A), 441b and former sections 433 and 434 of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission reminds you that your failure to register and file the required reports of receipts and expenditures with the Commission; the contribution(s) in excess of the $1,000.00 per election contribution limitation; and the acceptance of corporate contributions nevertheless appear to be violations of the Act and you should take immediate steps to insure that this activity does not occur in the future.

A report on the Commission's finding is attached for your information.

If you have any questions, please direct them to Conley Edwards, Jr. at 202/523-4060.

Sincerely,

John Warren McGarry

JOHN WARREN McGARRY
Chairman

Enclosure

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE March 24, 1981

MUR NO. 1039

STAFF MEMBER(S) & TEL. NO. Conley Edwards, Jr. (202) 523-4060

RESPONDENT New Jersey Republican Finance Committee

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Republican Party of New Jersey (RPONJ) and the '76 Campaign Dinner ('76 CD).

The audit for the Republican Party of New Jersey and the '76 Campaign Dinner covered the period commencing September 1, 1976, through December 31, 1976. The records of the New Jersey Republican Finance Committee (RFC) were reviewed through 1978.

These audits revealed that the New Jersey Republican Finance Committee violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Norcross for U.S. Senate Committee; and former 2 U.S.C. § 433 and § 434 for failing to file and register with the Commission. Additionally, these audits revealed that RFC accepted corporate funds in violation of 2 U.S.C. § 441b.

FACTUAL AND LEGAL ANALYSIS

A. Federal Activity of the New Jersey Republican Finance Committee

Former 2 U.S.C. § 433 and § 434 require each political committee which anticipates receiving contributions and/or making expenditures in excess of $1,000.00 per calendar year in connection with any federal election campaign to register and to file reports of receipts and expenditures with the Commission.

An audit of the RFC's financial reports of receipts and expenditures revealed that on March 1, 1977, the RFC transferred $3,614.36 to the Norcross for U.S. Senate Committee. However, the RFC has not registered or filed reports with the Commission for that period.

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceed $1,000. Additionally, 2 U.S.C. § 441a(f) provides that a political committee shall not knowingly accept an excessive contribution in violation of the contribution and expenditure limitation.

On October 25, 1976, the RPONJ transferred $2,000 to the Norcross for U.S. Senate Committee. This contribution combined with the $3,614.36 contribution from the RFC, an affiliate of the RPONJ, resulted in a total excessive contribution to the Norcross for U.S. Senate Committee in the amount of $4,614.36.

B. Corporate Contributions

2 U.S.C. § 441b expressly forbids any contributions and/or expenditures of corporate funds in connection with any election of any federal candidate or for any federal candidate to knowingly accept, receive, or expend any corporate funds in connection with any federal election.

According to the '76 CD's 1976 Year End Report, on December 3, 1976, it transferred $19,799.18 to the RFC in order to terminate its reporting obligations with the Commission. Additionally, the RPONJ's 1976 Year End Report disclosed that on December 8, 1976, it transferred $4,746.22 to the RFC in order that it may terminate its reporting obligation with the Commission. The RFC received a total of $24,534.40 from its subordinate affiliate committees. However, commingled with the transferred residual funds received by the RFC were the corporate funds accepted by the Committees and were subsequently expended in connection with federal campaign activity.

Therefore, the General Counsel recommends that the Commission find reason to believe that the New Jersey Republican Finance Committee violated former 2 U.S.C. § 433 and § 434 by failing to register and file as a political committee with the Commission, violated 2 U.S.C. § 441a(a)(1)(A) by contributing in excess of the $1,000 per election contribution limitation to the Norcross for U.S. Senate Committee, and violated 2 U.S.C. § 441b by accepting corporate contributions through its affiliated political committees; but no further action should be taken and the file should be closed.

RECOMMENDATIONS

1. Find reason to believe that the New Jersey Republican Finance Committee violated: former 2 U.S.C. §§ 433, 434, and 2 U.S.C. §§ 441a(a)(1)(A) and 441b.

2. Take no further action and close the file.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1039
New Jersey Republican Finance Committee	)	
Republican Party of New Jersey	)	
'76 Campaign Dinner	)	
Norcross for U.S. Senate Committee	)	
Citizens to Elect Campenni	)	
Van Decker Brothers, Inc.	)	
Schering-Plough, Inc.	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 20, 1981, the Commission decided by a vote of 5-0 to take the following actions regarding MUR 1039:

1. Find reason to believe that the New Jersey Republican Finance Committee violated former 2 U.S.C. §§ 433, 434, and 2 U.S.C. §§ 441a(a) (1)(A) and 441b.

2. Find reason to believe that the Norcross for U.S. Senate Committee violated 2 U.S.C. § 441a(f).

3. Find reason to believe that the Republican Party of New Jersey violated 2 U.S.C. §§ 441a(a)(1)(A) and 441b.

4. Find reason to believe that the '76 Campaign Dinner violated 2 U.S.C. §§ 441a(a)(1)(A) and 441b.

5. Find reason to believe that the Citizens to Elect Campenni violated 2 U.S.C § 441a(f).

6. Find reason to believe that Van Decker Brothers, Inc. violated 2 U.S.C. § 441b.

7. Find reason to believe that Schering-Plough, Inc. violated 2 U.S.C. § 441b.

(Continued)

8. Take no further action and close the file.

9. Send the letters and General Counsel's Factual and Legal Analyses, attached to the First General Counsel's Report dated March 18, 1981.

Commissioners Aikens, Harris, McGarry, Thomson, and Tiernan voted affirmatively in this matter; Commissioner Reiche recuses.

Attest:

3/20/81
Date

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

Received in Office of the Commission Secretary: 3-18-81, 11:25
Circulated to Commission on 48 hour vote basis: 3-18-81, 4:00

March 18, 1981

MEMORANDUM TO: Marjorie W. Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 1039

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

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

FIRST GENERAL COUNSEL'S REPORT

81 MAR 18 A11: 26

DATE AND TIME OF TRANSMITTAL BY OGC TO THE COMMISSION 3-18-81

MUR # 1039

STAFF MEMBER Conley Edwards, Jr.

SOURCE OF MUR: INTERNALLY GENERATED

RESPONDENT'S NAME:
- New Jersey Republican Finance Committee
- Republican Party of New Jersey
- '76 Campaign Dinner
- Norcross for U.S. Senate Committee
- Citizens to Elect Campenni
- Van Decker Brothers, Inc.
- Schering-Plough, Inc.

RELEVANT STATUTE: Former 2 U.S.C. §433
Former 2 U.S.C. §434
2 U.S.C. §441a(a)(1)(A)
2 U.S.C. §441a(f)
2 U.S.C. §441b

INTERNAL REPORTS CHECKED: Audit Report; Committee's Reports of Receipts and Expenditures

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Republican Party of New Jersey and the '76 Campaign Dinner. See Attachment I.

The audit of the Republican Party of New Jersey (RPONJ) and the '76 Campaign Dinner ('76 CD) covered the period commencing September 1, 1976, through December 31, 1976. The records of the New Jersey Republican Finance Committee (RFC) were reviewed through 1978.

During the audit it was revealed that RFC appears to have violated: former 2 U.S.C. § 433 and § 434 by failing to file and register with the Commission; 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to a principal campaign committee; and 2 U.S.C. § 441b by receiving and accepting corporate funds.

The RPONJ violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Norcross for U.S. Senate Committee. Additionally, the RPONJ, together with the '76 CD, violated 2 U.S.C. § 441a(a)(1)(A) by jointly making an excessive contribution to the Citizens to Elect Campenni; and the '76 CD and the RPONJ violated 2 U.S.C. § 441b by accepting corporate contributions.

Finally, the Norcross for U.S. Senate Committee and the Citizens to Elect Campenni violated 2 U.S.C. § 441a(f) by accepting excessive contributions from the above-stated political committees.

FACTUAL AND LEGAL ANALYSIS

INTRODUCTION

According to the Audit Division, the RPONJ and the '76 CD registered with the Commission on September 28, 1976. These political committees were established by and were affiliated with the RFC, an unregistered state party committee. During December of 1976, the RPONJ and the '76 CD transferred funds totaling $24,534.40 to the RFC and terminated their reporting obligations with the Commission.

A. The New Jersey Republican Finance Committee

Former 2 U.S.C. § 433 and § 434 require each political committee which anticipates receiving contributions and/or making expenditures in excess of a $1,000.00 per calendar year in connection with any federal election campaign to register and to file reports of receipts and expenditures with the Commission.

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceed $1,000. Additionally, 2 U.S.C. § 441a(f) provides that a political committee shall not knowingly accept an excessive contribution in violation of the contribution and expenditure limitation.

An audit of the RFC's financial reports of receipts and expenditures revealed that on March 1, 1977, the RFC transferred/contributed $3,614.36 to the Norcross for U.S. Senate Committee. However, the RFC is not a registered and reporting entity with the Commission.

Finally, it appears that between the dates of January 1, 1977, and March 1, 1977, the RFC received and accepted funds from nine (9) corporate entities totaling $375.00. But because the RFC was not directly involved in any federal campaign at the time of its receipt of these corporate funds, the RFC made what appears to be its first contribution to a principal campaign committee on or about March 1, 1977, the Office of General Counsel believes it would not be appropriate to cite the nine (9) corporate entities

for a § 441b violation because they contributed to a state party committee that was not involved in any federal campaign activity at that time. However, since the corporate funds were commingled with the RFC's other compaign funds, it appears that the RFC transferred/ contributed corporate funds to another political committee.

In light of the above, the RFC violated former 2 U.S.C. § 433 and § 434 by failing to file and register with the Commission; 2 U.S.C. § 441a(a)(1)(A) by contributing in excess of $1,000.00 to the Norcross for U.S. Senate Committee; and 2 U.S.C. § 441b by contributing corporate funds to the Norcross for U.S. Senate Committee. Moreover, the Norcross Committee violated 2 U.S.C. § 441a(f) by accepting an excessive contribution from the RFC.

B. Excessive Contributions

On October 25, 1976, the RPONJ contributed $2,000.00 to the Norcross for U.S. Senate Committee. This contribution combined with the $3,614.36 contribution from RFC, an affiliate of RPONJ, on March 1, 1977, resulted in a total excessive contribution to the Norcross for U.S. Senate Committee in the amount of $4,614.36. 1/ Additionally, on October 26, and November 1, 1976, the RPNOJ and '76 CD jointly contributed a totaled of $1,250.00 to the Citizens to Elect Campenni.

In view of the above, the RPONJ and '76 CD both violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the David F. Norcross federal campaign for election to the United States Senate and the Anthony L. Campenni federal campaign for election to the United States House of Representatives. Furthermore, both political campaign committees violated 2 U.S.C. § 441a(f): the Norcross Committee by receiving excessive contributions from the RFC, RPONJ, and '76 CD and the Campenni Committee by receiving excessive contributions from the RPONJ and the '76 CD.

1/ Because the RPNOJ was registered (9/28/76) for less than six (6) months it did not qualify as a multicandidate committee at the time of its termination (12/76). Although at the time the RFC made the $3,614.36 contribution to the Norcross Committee the RPONJ had terminated, the contributions from the RPONJ and the RFC should be aggregated in that upon the termination of the RPONJ it transferred all its funds to the RFC and had overlapping offices; e.g. John H. Ewing served simultaneously as RFC chairman and the treasurer of both the RPONJ and RFC.

C. Corporate Contributions

On October 27, 1976, the '76 CD received and accepted a $100.00 corporate contribution from Schering-Plough, Inc. Additionally, on October 31, 1976, the RPONJ received and accepted a $100.00 corporate contribution from Van Decker Brothers, Inc. 2/ These corporate contributions were subsequently commingled with RPONJ's and '76 CD's other campaign funds and were expended in connection with federal campaigns.

The RPONJ and the '76 CD both violated 2 U.S.C. § 441b by accepting corporate contributions, and Van Decker Brothers, Inc., and Schering-Plough, Inc. violated 2 U.S.C. § 441b by making corporate contributions in connection with federal campaigns.

D. Transfer of Residual Funds

According to the '76 CD's 1976 Year End Report, on December 3, 1976, it transferred $19,788.18 to the RFC in order to terminate its reporting obligations with the Commission. 3/ Additionally, the RPONJ's 1976 Year End Report disclosed that on December 8, 1976, it transferred $4,746.22 to the RFC in order that it might terminate its reporting obligations with the Commission. 4/ The RFC received a total of $24,534.40 from its subordinate affiliate committees. However, commingled with the transferred residual funds received by the RFC were the corporate funds accepted by these committees and were subsequently expended in connection with federal campaign activity by the RFC.

In light of the affiliation of these political committees, the RFC violated 2 U.S.C. § 441b by accepting corporate funds that were commingled with the residual funds transferred to it and subsequently expended in connection with a federal election.

2/ It should be noted that the Audit Division has requested, through the findings and recommendations of its audit report, that the corporate monies (contributions) be refunded by the present New Jersey State Republican Party, which apparently replaced the RFC after receiving its residual funds on January 31, 1978. However, the former RFC chairman responded that it was not possible to make any refunds since all the 1976 political committees involved in this matter have terminated.

3/ This was also '76 CD's termination report, dated December 13, 1976; however, it was not received by the Commission until March 11, 1977.

4/ RPONJ's 1976 Year End Report was also its termination report.

Conclusion

The Office of General Counsel is of the opinion, that because these violations occurred in 1976 and early 1977 and that all the political committees, with the exception of one, 5/ have closed their books and ceased operations, no further action should be taken and the file should be closed.

RECOMMENDATIONS

1. Find reason to believe that the New Jersey Republican Finance Committee violated former 2 U.S.C. §§ 433, 434, and 2 U.S.C. §§ 441a(a)(1)(A) and 441b.

2. Find reason to believe that the Norcross for U.S. Senate Committee violated 2 U.S.C. § 441a(f).

3. Find reason to believe that the Republican Party of New Jersey violated 2 U.S.C. §§ 441a(a)(1)(A) and 441b.

4. Find reason to believe that the '76 Campaign Dinner violated 2 U.S.C. §§ 441a(a)(1)(A) and 441b.

5. Find reason to believe that the Citizens to Elect Campenni violated 2 U.S.C. § 441a(f).

6. Find reason to believe that Van Decker Brothers, Inc. violated 2 U.S.C. § 441b.

7. Find reason to believe that Schering-Plough, Inc. violated 2 U.S.C. § 441b.

8. Take no further action and close the file.

9. Send attached letters and General Counsel's Factual and Legal Analyses.

Attachments
Audit Referral
Letters (7) and General Counsel's Factual and Legal Analyses (7)

5/ The Norcross for U.S. Senate Committee, as of April 22, 1980, had zero financial activity for the period commencing January 1, 1979 through April 1, 1980. However, the Committee wishes to remain registered but contemplates no activity, financial and/or political, in the near future.

A.540

FEDERAL ELECTION COMMISSION

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

August 10, 1979

MEMORANDUM

TO: WILLIAM OLDAKER

THROUGH: ORLANDO B. POTTER BL. for OBP
STAFF DIRECTOR

FROM: BOB COSTA/CRAIG RUSSELL RJC

SUBJECT: REPUBLICAN PARTY OF NEW JERSEY AND THE '76 CAMPAIGN DINNER - FAILURE TO RESPOND TO RECOMMENDATIONS IN LETTER OF AUDIT FINDINGS

In our memorandum dated November 17, 1978, we referred several matters to your Office for legal analysis which arose from audits of the above referenced committees. (See Attachment I) Your response (see Attachment II), embodied several recommendations which were included in the audit letters mailed on May 16, 1979, to the Treasurer of the Republican Party of New Jersey ("RPONJ") and the '76 Campaign Dinner ("76 CD"), as well as the Chairman of the unregistered state level organization, the New Jersey Republican Finance Committee ("RFC"), (see Attachment III). The following is keyed to the sub-headings in the previous memoranda to facilitate cross-referencing.

A. Federal Activity by the New Jersey Republican Finance Committee

Regarding the transfer by the RFC of $3,614.36 to Norcross for U.S. Senate and the resulting apparent violations of 2 U.S.C. Sections 433, 434, 441a(a)(1)(A) and 441b, we recommended in our letter to the RFC that a refund of the total amount be obtained from the Norcross committee and documentation of the refund be provided to the Audit staff within 30 days of notification. On June 6, 1979, the Chairman of RFC submitted a copy of a letter sent to Mr. David Norcross requesting the refund (Attachment IV). In a telephone conversaton of July 25, 1979 with a member of the Audit staff, the Chairman stated that he had not received the requested refund nor, in his opinion, was Mr. Norcross in any position to make such a refund.

ATTACHMENT I

B. Excessive Contributions to Federal Candidates

As discussed in previous memoranda, the RPONJ also made a $2,000 contribution to Norcross for U.S. Senate and the RPONJ and '76 CD jointly transferred $1,250 to Anthony L. Campenni, Candidate for Congress. Since these transfers represented contributions in excess of the applicable limitations set forth in 2 U.S.C. 441a(a)(1)(A), we recommended to the Treasurer of the RPONJ and '76 CD in our audit letter of May 16, 1979, that refunds of the excessive amounts be obtained from the two (2) candidates involved, and documentation of the refunds provided. The request to Mr. David Norcross for the refund of $1,000 was included in the letter to Mr. Norcross referred to in the preceding section (see Attachment IV). As of this date, this refund also has not been received by the RPONJ Treasurer. On July 16, 1979, the Treasurer of the RPONJ and '76 CD submitted a letter to the Audit staff which included a statement to the effect that his efforts to reach Mr. Campenni concerning the refund had been unsuccessful. He added that his investigation had disclosed that Mr. Campenni had apparently moved to Florida and his present whereabouts are unknown.

C. Corporate Contributions

Regarding the acceptance of corporate contributions by the RPONJ and '76 CD, the Treasurer of these committees has submitted a copy of a letter sent by him to the existing New Jersey Republican State Committee (Attachment V) requesting that they provide the funds for making refunds of these contributions. In our conversation with the Treasurer on July 25, he reiterated his position that, since the RPONJ and '76 CD had long since terminated and transferred residual funds to the RFC (which has since closed its operations and transferred residual funds to the N.J. Republican State Committee), he is not in a position as Treasurer of the RPONJ and '76 CD to make the requested refunds.

In accordance with the recommendations of your Office included in the memorandum of response (Attachment II referred to previously), we are referring these matters for further legal review and possible MUR action. If you have any questions, please contact Craig Russell on extension 3-4155.

Attachments as stated

ATTACHMENT I

FEDERAL ELECTION COMMISSION

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

November 17, 1978

MEMORANDUM

TO : WILLIAM OLDAKER

THROUGH : ORLANDO B. POTTER
STAFF DIRECTOR

FROM : BOB COSTA/CRAIG RUSSELL

SUBJECT : AUDITS OF THE REPUBLICAN PARTY OF NEW JERSEY AND THE '76 CAMPAIGN DINNER

During the recent audits of the Republican Party of New Jersey and its affiliate, the '76 Campaign Dinner, the following matters were noted which are being referred to your office for legal review and concurrence with our recommendations, as stated.

Introduction

The Republican Party of New Jersey (RPONJ) and the '76 Campaign Dinner ('76CD) were registered on September 28, 1976 with the Federal Election Commission as separate Federal accounts, affiliated with and established by the New Jersey Republican Finance Committee (RFC), an unregistered state level party organization. Residual funds totaling $24,534.40 were transferred to the RFC when both Federal accounts terminated their reporting to the FEC in December of 1976. The RFC itself maintained three (3) bank accounts as follows: 1) an "intra-state" account for receiving contributions for state and local purposes, including Federally-prohibited contributions permissable under N.J. State Law, 2) a "Keyman" account for major contributions from individuals, and 3) a "Rockefeller" account for proceeds from a fundraiser in June of 1976 at which then Vice President Rockfeller was in attendance; all funds to be used for state and local purposes only, according to the past Treasurer of the RFC. On January 31, 1978, the RFC terminated all activities and transferred its residual funds to the present party organization: the New Jersey State Republican Party, Trenton, New Jersey.

The audits covered the period during which the Federal accounts reported with the FEC: September 1, 1976 to December 13, 1976. In addition, because of financial activity between the Federal accounts and the RFC, records of the RFC were reviewed up to January, 1978.

A. Federal Activity by the N.J. Republican Finance Committee

During the course of the audit, we noted from our review of RFC records a transfer from the RFC's "Keyman" account on March 1, 1977 (after the Federal accounts had terminated and transferred their residual funds to the RFC "Keyman" account) to Norcross for Senator in the amount of $3,614.36. Our review of the deposits to this account after January 1, 1977, and prior to March 1, 1977, showed that nine (9) corporate contributions had been accepted, totaling $375.00. The Treasurer stated that the transfer had been authorized by the RFC Executive Committee on November 16, 1976 (when the Federal accounts were in operation) but not made until March 1, 1977.

The auditors believe this transaction represents a contributic to a Federal candidate in excess of $1,000 and thus subjected the RFC to the registration and reporting requirements of 2 U.S.C 433 and 434. In addition, since the RFC did not qualify as a multi-candidate committee, the RFC, as a political committee under the Act, apparently has violated the limitation of 2 U.S.C. 441a(a)(1)(Furthermore, the funds contributed to the Federal candidate were ostensibly commingled with contributions prohibited under the Act.

B. Excessive Contributions to Federal Candidates

Neither Federal Committee had been registered long enough with the FEC to qualify for multicandidate status. However, during the audit we noted transfers in excess of the applicable $1,000 limit set forth in 2 U.S.C. 441a(a)(1)(A). The RPONJ transferred $2,000 to Norcross for Senate 1/ on October 25, 1976. In addition, the RPONJ and '76 CD contributed a total of $1,250 to Anthony L. Campenni, Candidate for Congress from New Jersey on October 26 and November 1, 1976. According to registration amendments filed with the FEC, these two (2) Committees (RPONJ and '76 CD) are affiliated and thus share the same limitation.

1/ Although the reported Committee name is slightly different from the one referred to in Finding A (obtained from RFC records), available evidence indicates that both transfers were made to the same Committee.

C. Corporate Contributions

During the course of the audit it was noted that the RPONJ and '76 Campaign Dinner each accepted an apparent corporate contribution in the amount of $100.00 in 1976. The Committee was contacted and a request was made for additional documentation, verifying or disproving the corporate source of these contributions. The Treasurer has responded that both companies have confirmed that the contributions in question were, in fact, drawn on corporate accounts. The Committee Treasurer stated no refunds could be made since both the RFC and its Federal accounts had long since terminated operation.

Recommendation

The Audit staff recommends that these corporate contributions be refunded by the existing New Jersey State Republican Party, which received the RFC's residual funds January 31, 1978.

If you have any questions, please contact Craig Russell or Jim Commeree at extension 3-4155.

ATTACHMENT III

FEDERAL ELECTION COMMISSION

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

May 16, 1979

Mr. John H. Ewing, Treasurer
Republican Party of New Jersey
and '76 Campaign Dinner
P.O. Box 352
Bedminster, New Jersey 07921

Dear Mr. Ewing:

The attached is to formally advise you of the findings and recommendations of the Audit staff resulting from the audits of the Republican Party of New Jersey and the '76 Campaign Dinner. These matters were discussed with you at the conclusion of the fieldwork in Bernardsville, New Jersey on July 21, 1978.

You are requested to comply with the stated recommendations within 30 days of receipt of this letter. After expiration of the 30 day period and receipt of your response, the Audit staff will present a final audit report to the Commission for approval and subsequent public release. Efforts to comply with the recommendations will be noted in the report when presented.

Should you not respond adequately to these recommendations within the time specified above, in accordance with Commission policy, the matter will be referred to the Commission's Office of General Counsel with a recommendation that an order or subpoena be prepared requiring compliance with the staff recommendations.

If you have any questions regarding these matters, please do not hesitate to contact Mr. Craig Russell or Mr. Jim Commerce at (202) 523-4155 or toll free at (800) 424-9530.

Sincerely,

Robert J. Costa
Assistant Staff Director
for the Audit Division

Attachment as stated

CERTIFIED MAIL:
RETURN RECEIPT REQUESTED

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Findings and Recommendations

A. Excessive Contributions to Federal Candidates

Section 441a(a)(1)(A) of Title 2, United States Code, states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

During the course of the audit, we determined that neither the Republican Party of New Jersey (RPONJ) nor '76 Campaign Dinner ('76CD) were registered with the Federal Election Commission long enough to qualify for multicandidate committee status. In addition, according to registration statements filed with the Commission, the RPONJ and '76CD were affiliated and thus shared the same limitation. Our audit determined that the RPONJ transferred $2,000 to the Norcross for Senate Committee on October 25, 1976. In addition, the RPONJ and '76CD contributed a total of $1,250 to Anthony L. Campenni, Candidate for Congress from New Jersey on October 26 and November 1, 1976.

Recommendation

The auditors recommend that the RPONJ and '76CD obtain refunds of the amounts in excess of the $1,000 limitation from the above mentioned Candidate and Committee within 30 days of receipt of this letter. It is also recommended that documentation of the receipt of these refunds (i.e., copies of the refund checks and bank statements indicating the deposit of the refund checks) be forwarded to the auditors.

B. Acceptance of Corporate Contributions

Section 441b(a) of Title 2, United States Code, states, in relevant part, it is unlawful for any corporation to make a contribution in connection with any election to Federal office, or for any political committee knowingly to accept or receive any contribution prohibited by this section.

During the course of the audit it was determined that the RPONJ and '76 Campaign Dinner each accepted a contribution of $100 from a business entity. Subsequent to audit fieldwork, the incorporated status of these companies was verified with the New Jersey Secretary of State. In addition, you have responded that both companies have confirmed that the contributions in question were, in fact, drawn on corporate accounts.

Recommendation

It is the recommendation of the Audit staff that the Committees refund these contributions within 30 days of receipt of this letter, and provide documentation of the refunds (copies of cancelled checks), to the Audit staff for review.

C. Retention of Documentation for Expenditures

Section 432(d) of Title 2, United States Code, states it shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of $100 in amount, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds $100.

Section 102.9(c)(4) of Title 11, Code of Federal Regulations, permits the treasurer to keep, when a receipted bill is not available, the cancelled check(s) showing payment(s) of the bill; and the bill, invoice or other contemporaneous memorandum of the transaction containing the particulars.

During our review of RPCNJ and '76CD expenditures, we determined that for 20 expenditures, totaling $6,628.11, inadequate documentation (cancelled checks only) was retained by the two (2) Committees. These expenditures represented 46.5% of the number and 18.4% of the total dollar value of expenditures of the two (2) Committees requiring such documentation.

At the conclusion of the audit fieldwork, we requested that you obtain copies of the missing documentation for review by the Audit staff. You agreed to comply with our request.

Recommendation

The Audit staff recommends that the Committees, within 30 days of receipt of this letter, obtain and present for review sufficient documentation for those expenditures presently lacking same, or present evidence of their reasonable efforts to obtain it.

D. Other Matters

Presented below are matters noted during the course of the audit, for which the Audit staff recommends no further action:

1) the Committees failed to itemize on their disclosure reports four (4) $100 transfers-in from subordinate party committees/organizations and one (1) $100 individual contribution aggregating in excess of $100.

2) the '76 Campaign Dinner failed to file separate schedules of fundraising receipts for the two (2) events held in 1976. However, we noted that contributor information for these fundraisers was otherwise disclosed as required; and

3) the Republican Party of New Jersey disclosed transfers to Federal candidate committees on line 20a (for operating expenditures) rather than line 24b, as required. However, we noted that their support of Federal candidates was otherwise disclosed as required.

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 16, 1979

Mr. John H. Ewing, Chairman
New Jersey Republican Finance
Committee
P.O. Box 352
Bedminster, New Jersey 07921

Dear Mr. Ewing:

The attached is to formally advise you of the finding and recommendation of the Audit staff resulting from the audit of the New Jersey Republican Finance Committee. This matter was discussed with you at the conclusion of the fieldwork in Bernardsville, New Jersey on July 21, 1978.

You are requested to comply with the stated recommendation within 30 days of receipt of this letter. After expiration of the 30 day period and receipt of your response, the Audit staff will present a final audit report to the Commission for approval and subsequent public release. Efforts to comply with the recommendation will be noted in the report when presented.

Should you not respond adequately to the recommendation within the time specified above, in accordance with Commission policy, the matter will be referred to the Commission's Office of General Counsel with a recommendation that an order or subpoena be prepared requiring compliance with the staff recommendation.

If you have any questions regarding this matter, please do not hesitate to contact Mr. Craig Russell or Mr. Jim Commerce at (202) 523-4155 or toll free at (800) 424-9530.

Sincerely,

Robert J. Costa
Assistant Staff Director
for the Audit Division

Attachment as stated

CERTIFIED MAIL:
RETURN RECEIPT REQUESTED

(5)

Federal Activity by the New Jersey Republican Finance Committee (RFC)

Sections 433 and 434 of Title 2, United States Code, require each political committee which makes expenditures influencing the election of any person to Federal office during the calendar year in an aggregate amount exceeding $1,000 to register with the Federal Election Commission and file reports of receipts and expenditures.

Section 441a(a)(1)(A) of Title 2, United States Code, states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

During the course of the audits of the Republican Party of New Jersey and its affiliate, the '76 Campaign Dinner, we also reviewed RFC records and noted a transfer from the RFC on March 1, 1977 to Norcross for U.S. Senate in the amount of $3,614.36. When questioned concerning this transaction, the Chairman of the RFC stated that the transfer had been authorized by the RFC Executive Committee on November 16, 1976 (when the Federal accounts were in operation) but not made until March 1, 1977.

In as much as this transaction represents a contribution to a Federal candidate in excess of $1,000, the RFC is subject to the registration and reporting requirements of 2 U.S.C. 433 and 434. In addition, since the RFC was not registered with the Commission it did not qualify as a multicandidate committee and, therefore, was subject to the $1,000 limitation set forth above.

Recommendation

It is our recommendation that the Chairman of the RFC obtain a refund of $3,614.36 1/ from the Norcross for U.S. Senate committee and provide documentation of this refund to the Audit staff, within 30 days of receipt of this letter. When the refund is recovered, it should be turned over to the successor committee, the New Jersey State Republican Party.

1/ We are recommending a refund of the full $3,614.36 because we noted the acceptance of nine (9) apparent corporate contributions, totaling $375.00, into the RFC "Keyman" account (from which the above transfer was made) during the period January 1 to March 1, 1977. Since the transfer to Norcross for U.S. Senate could therefore have contained corporate funds prohibited by 2 U.S.C. 441b(a), a refund of the full amount is required to rectify the apparent violation of this section.

ATTACHMENT IV

JOHN H. EWING
PEAPACK
NEW JERSEY 07021

AREA CODE 201
884-0765

for date stamp see next page

May 31, 1979

Mr. David Norcross
Chairman
New Jersey Republican State Committee
28 West State Street
Trenton, New Jersey 08625

Dear Dave:

I am enclosing a copy of two letters which were sent to me by the Federal Election Commission.

On the letter addressed to me as " Chairman, New Jersey Republican Finance Committee, " you will note on the attached sheet that it will be necessary to make a refund of $ 3,614. 6 from the Norcross for U.S. Senate Committee and such monies will then be turned over to the present New Jersey Republican Party account.

I feel that we could show the Federal Election Commission that there was a substantial amount of non-corporate funds in the Key Man account and therefore their reasoning for the refund should not hold up. However, I feel it necessary that I make the request for the above refund at this time.

In connection with the letter addressed to me as " Treasurer, Republican Party of New Jersey and 76' Campaign Dinner, you will note their findings and recommendations, Paragraph A " it is requested that you make a refund of $ 1000.00."

I would appreciate having the two checks mailed to me so that I can make the proper deposits and verifications back to the Federal Election Commission.

Sincerely,

JOHN H. EWING

JHE/dak

CC: Richard Weinroth- Counsel, New Jersey Republican State Committee

Robert J. Costa - Federal Election Commission

ATTACHMENT III

ATTACHMENT V

AREA CODE 201
[illegible]

JOHN H. EWING
PEAPACK
NEW JERSEY 07021

June 15, 1979

Mr. David Norcross
Chairman
New Jersey Republican State Committee
28 West State Street
Trenton, New Jersey 08625

Dear Dave,

Pursuant to my recent correspondence to you and also our verbal conversation with regard to the Federal Election Law Commission's inquiry dated June 6, 1979, I would appreciate the following checks to be made out at your earliest convenience and sent to me so I can forward them with a covering letter.

$100.00 - Van Decker Brothers, Inc.
1501 Valley Road
Wayne, New Jersey 07470

$100.00 - Schering - Plough, Inc.
2000 Galloping Hill Road
Kenilworth, New Jersey 07033

As I explained to you, and also you will note in the copy of the Federal Election Law Commission letter addressed to (copy attached) me as Chairman, New Jersey Republican Finance Committee, a refund has been requested.

I am hopeful that we can clear up this matter as soon as possible.

Thank you very much.

Sincerely,

JOHN H. EWING

JHE/bab
Attachment

ATTACHMENT I

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John H. Ewing, Chairman
New Jersey Republican
Finance Committee
Post Office Box 352
Bedminister, New Jersey 07921

RE: MUR 1039

Dear Mr. Ewing:

On , 1981, the Commission found reason to believe that your Committee violated sections 441a(a)(1)(A), 441b and former sections 433 and 434 of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission reminds you that your failure to register and file the required reports of receipts and expenditures with the Commission; the contribution(s) in excess of the $1,000.00 per election contribution limitation; and the acceptance of corporate contributions nevertheless appear to be violations of the Act and you should take immediate steps to insure that this activity does not occur in the future.

A report on the Commission's finding is attached for your information.

If you have any questions, please direct them to Conley Edwards, Jr. at 202/523-4060.

Sincerely,

Enclosure

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR NO. 1039

STAFF MEMBER(S) & TEL. NO.

RESPONDENT New Jersey Republican Finance Committee

Conley Edwards, Jr.

(202) 523-4060

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Republican Party of New Jersey (RPONJ) and the '76 Campaign Dinner ('76 CD).

The audit for the Republican Party of New Jersey and the '76 Campaign Dinner covered the period commencing September 1, 1976, through December 31, 1976. The records of the New Jersey Republican Finance Committee (RFC) were reviewed through 1978.

These audits revealed that the New Jersey Republican Finance Committee violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Norcross for U.S. Senate Committee; and former 2 U.S.C. § 433 and § 434 for failing to file and register with the Commission. Additionally, these audits revealed that RFC accepted corporate funds in violation of 2 U.S.C. § 441b.

FACTUAL AND LEGAL ANALYSIS

A. Federal Activity of the New Jersey Republican Finance Committee

Former 2 U.S.C. § 433 and § 434 require each political committee which anticipates receiving contributions and/or making expenditures in excess of $1,000.00 per calendar year in connection with any federal election campaign to register and to file reports of receipts and expenditures with the Commission.

An audit of the RFC's financial reports of receipts and expenditures revealed that on March 1, 1977, the RFC transferred $3,614.36 to the Norcross for U.S. Senate Committee. However, the RFC has not registered or filed reports with the Commission for that period.

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceed $1,000. Additionally, 2 U.S.C. § 441a(f) provides that a political committee shall not knowingly accept an excessive contribution in violation of the contribution and expenditure limitation.

On October 25, 1976, the RPONJ transferred $2,000 to the Norcross for U.S. Senate Committee. This contribution combined with the $3,614.36 contribution from the RFC, an affiliate of the RPONJ, resulted in a total excessive contribution to the Norcross for U.S. Senate Committee in the amount of $4,614.36.

B. Corporate Contributions

2 U.S.C. § 441b expressly forbids any contributions and/or expenditures of corporate funds in connection with any election of any federal candidate or for any federal candidate to knowingly accept, receive, or expend any corporate funds in connection with any federal election.

According to the '76 CD's 1976 Year End Report, on December 3, 1976, it transferred $19,799.18 to the RFC in order to terminate its reporting obligations with the Commission. Additionally, the RPONJ's 1976 Year End Report disclosed that on December 8, 1976, it transferred $4,746.22 to the RFC in order that it may terminate its reporting obligation with the Commission. The RFC received a total of $24,534.40 from its subordinate affiliate committees. However, commingled with the transferred residual funds received by the RFC were the corporate funds accepted by the Committees and were subsequently expended in connection with federal campaign activity.

Therefore, the General Counsel recommends that the Commission find reason to believe that the New Jersey Republican Finance Committee violated former 2 U.S.C. § 433 and § 434 by failing to register and file as a political committee with the Commission, violated 2 U.S.C. § 441a(a)(1)(A) by contributing in excess of the $1,000 per election contribution limitation to the Norcross for U.S. Senate Committee, and violated 2 U.S.C. § 441b by accepting corporate contributions through its affiliated political committees; but no further action should be taken and the file should be closed.

RECOMMENDATIONS

1. Find reason to believe that the New Jersey Republican Finance Committee violated: former 2 U.S.C. §§ 433, 434, and 2 U.S.C. §§ 441a(a)(1)(A) and 441b.

2. Take no further action and close the file.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John H. Ewing, Treasurer
Republican Party of New Jersey
Post Office Box 352
Bedminister, New Jersey 07921

RE: MUR 1039

Dear Mr. Ewing:

On , 1981, the Commission found reason to believe that your Committee violated sections 441a(a)(1)(A) and 441b of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission reminds you that your contributions in excess of the $1,000.00 per election contribution limitation and acceptance of corporate contributions nevertheless appear to be violations of the Act and you should take immediate steps to insure that this activity does not occur in the future.

A report on the Commission's finding is attached for your information.

If you have any questions, please direct them to Conley Edwards, Jr. at 202/523-4000.

Sincerely,

Enclosure

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR NO. 1039

STAFF MEMBER(S) & TEL. NO.

RESPONDENT Republican Party of New Jersey

Conley Edwards, Jr.

(202) 523-4060

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Republican Party of New Jersey (RPONJ) and the '76 Campaign Dinner ('76 CD).

The audit for the Republican Party of New Jersey and the '76 Campaign Dinner covered the period commencing September 1, 1976, through December 31, 1976. The records of the New Jersey Republican Finance Committee (RFC) were reviewed through 1978.

These audits revealed that the Republican Party of New Jersey violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Norcross for U.S. Senate Committee and by making, together with its affiliated political committee, the '76 CD, an excessive joint contribution to the Citizens to Elect Campenni. These audits also revealed that the RPONJ accepted a corporate contribution in violation of 2 U.S.C. § 441b.

FACTUAL AND LEGAL ANALYSIS

A. Excessive Contribution

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceed $1,000. Additionally 2 U.S.C. § 441a(f) provides that a political committee shall not knowingly accept an excessive contribution in violation of the contribution and expenditure limitation.

On October 24, 1976, the RPONJ transferred $2,000 to the Norcross for U.S. Senate Committee. This contribution combined with the $3,614.36 contribution from the RFC, an affiliate of the RPONJ, resulted in a total excessive contribution to the Norcross for U.S. Senate Committee in the amount of $4,614.36. Additionally, on October 26, and November 1, 1976, the RPONJ and the '76 CD jointly contributed a total of $1,250.00 to the Citizens to Elect Campenni.

B. Corporate Contribution

2 U.S.C. § 441b expressly forbids any contributions and/or expenditures of corporate funds in connection with any election of any federal candidate or for any federal candidate to knowingly accept, receive, or expend any corporate funds in connection with any federal election.

On October 31, 1976, the '76 CD received and accepted a $100.00 corporate contribution from a corporate entity, Van Decker Brothers, Inc. This corporate contribution was subsequently commingled with the RPONJ's other campaign funds and was expended in connection with federal campaigns.

Therefore, the General Counsel recommends that the Commission find reason to believe that in 1976 the Republican Party of New Jersey violated 2 U.S.C. § 441a(a)(1)(A) by contributing in excess of $1,000 per election to the Norcross for U.S. Senate Committee and by contributing, together with the '76 Campaign Dinner committee, an excessive joint contribution to the Citizens to Elect Campenni; and violated 2 U.S.C. § 441b by accepting a corporate contribution from Van Decker Brothers, Inc; but no further action should be taken and the file closed.

RECOMMENDATIONS

1. Find reason to believe that the Republican Party of New Jersey violated 2 U.S.C. §§ 441a(a)(1)(A) and 441b.

2. Take no further action and close the file.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John H. Ewing, Treasurer
'76 Campaign Dinner
Post Office Box 352
Bedminister, New Jersey 07921

RE: MUR 1039

Dear Mr. Ewing:

On , 1981, the Federal Election Commission determined that there is reason to believe that your Committee violated sections 441a(a)(1)(A) and 441b of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission reminds you that your contribution in excess of the $1,000.00 per election contribution limitation and your acceptance of corporate contributions nevertheless appear to be violations of the Act and you should take immediate steps to insure that this activity does not occur in the future.

A report on the Commission's finding is attached for your information.

If you have any questions, please direct them to Conley Edwards, Jr. at 202/523-4060.

Sincerely,

Enclosure

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR NO. 1039
STAFF MEMBER(S) & TEL. NO.

RESPONDENT '76 Campaign Dinner

Conley Edwards, Jr.
(202) 523-4060

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Republican Party of New Jersey (RPONJ) and the '76 Campaign Dinner ('76 CD).

The audit for the Republican Party of New Jersey and the '76 Campaign Dinner covered the period commencing September 1, 1976, through December 31, 1976. The records of the New Jersey Republican Finance Committee (RFC) were reviewed through 1978.

These audits revealed that the '76 CD and its affiliate political committee, the RPONJ, violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive joint contribution to the Citizens to Elect Campenni. Additionally, these audits revealed that the '76 CD violated 2 U.S.C. § 441b by accepting a corporate contribution from Schering-Plough, Inc.

FACTUAL AND LEGAL ANALYSIS

A. Excessive Contribution

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceed $1,000. Additionally, 2 U.S.C. § 441a(f) provides that a political committee shall not knowingly accept an excessive contribution in violation of the contribution and expenditure limitation.

On October 26, and November 1, 1976, the '76 CD and the RPONJ jointly contributed a total of $1,250.00 to the Citizens to Elect Campenni.

B. Corporate Contribution

2 U.S.C. § 441b expressly forbids any contributions and/or expenditures of corporate funds in connection with any election of any federal candidate or for any federal candidate to knowingly accept, receive, or expend any corporate funds in connection with any federal election.

On October 27, 1976, the '76 CD received and accepted a $100.00 corporate contribution from a corporate entity, Schering-Plough, Inc. This corporate contribution was subsequently commingled with the '76 CD's other campaign funds and was expended in connection with federal campaigns.

Therefore, the General Counsel recommends that the Commission find reason to believe that in 1976 the '76 Campaign Dinner committee violated 2 U.S.C. § 441a(a)(1)(A) by making, together with the Republican Party of New Jersey, an excessive joint contribution to the Citizens to Elect Campenni; and violated 2 U.S.C. § 441b by accepting a corporate contribution from Schering-Plough, Inc.; but no further action should be taken and the file should be closed.

RECOMMENDATIONS

1. Find reason to believe that the '76 Campaign Dinner committee violated 2 U.S.C. §§ 441a(a)(1)(A) and 441b.

2. Take no further action and close this file.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Walter T. Peters, Treasurer
Norcross for U.S. Senate
2201 State Highway, #38
Cherry Hill, New Jersey 08034

RE: MUR 1039

Dear Mr. Peters:

On , 1981, the Commission found reason to believe that your Committee violated section 441a(f) of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection wit the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission reminds you that your Committee's acceptance of a contribution in excess of the $1,000.00 per election contribution limitation nevertheless appears to be a violation of the Act and you should take immediate steps to insure that this activity does not occur in the future.

A report on the Commission's finding is attached for your information.

If you have any questions, please direct them to Conley Edwards, Jr. at 202/523-4060.

Sincerely,

Enclosure

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR NO. 1039

STAFF MEMBER(S) & TEL. NO.

RESPONDENT Norcross for U.S. Senate Committee

Conley Edwards, Jr.

(202) 523-4060

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Republican Party of New Jersey (RPONJ) and the '76 Campaign Dinner ('76 CD).

The audit for the RPONJ and the '76 CD covered the period commencing September 1, 1976, through December 31, 1976. The records of the New Jersey Republican Finance Committee (RFC) were reviewed through 1978.

These audits revealed that the RFC and the RPONJ violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Norcross for U.S. Senate Committee. Additionally, the Norcross for U.S. Senate Committee violated 2 U.S.C. § 441a(f) by accepting excessive contributions from the above-stated political committees.

FACTUAL AND LEGAL ANALYSIS

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceed $1,000. Additionally, 2 U.S.C. § 441a(f) provides that a political committee shall not knowingly accept an excessive contribution in violation of the contribution and expenditure limitation.

An audit of the RPONJ has revealed that, on October 25, 1976, the RPONJ transferred/contributed $2,000.00 to the Norcross for U.S. Senate Committee. Furthermore, the audit of the RFC's records revealed that on March 1, 1977, the RFC transferred/contributed $3,614.36 to the Norcross Committee.

Therefore, the General Counsel recommends that the Commission find reason to believe that the Norcross for U.S. Senate Committee violated 2 U.S.C. § 441a(f) by accepting excessive contributions in 1976 from the Republican Party of New Jersey and the New Jersey Republican Finance Committee; but no further action should be taken and the file should be closed.

RECOMMENDATIONS

1. Find reason to believe that in 1976 the Norcross for U.S. Senate Committee violated 2 U.S.C. § 441a(f) by accepting contributions in excess of the $1,000 per election contribution limitation as set forth in 2 U.S.C. § 441a(a)(1)(A) from the Republican Party of New Jersey and the New Jersey Republican Finance Committee.

2. Take no further action and close the file.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Michael Campenni, Treasurer
Citizens to Elect Campenni
c/o Bayonne City Republican Club
629 Broadway
Bayonne, New Jersey

RE: MUR 1039

Dear Mr. Campenni:

On , 1981, the Federal Election Commission determined that there is reason to believe that your Committee violated section 441a(f) of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission reminds you that your Committee's acceptance of contributions exceeding the $1,000.00 per election contribution limitation nevertheless appears to be a violation of the Act and you should take immediate steps to insure that this activity does not occur in the future.

A report on the Commission's finding is attached for your information.

If you have any questions, please direct them to Conley Edwards, Jr. at 202/523-4000.

Sincerely,

Enclosure

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR NO. 1039
STAFF MEMBER(S) & TEL NO.
Conley Edwards, Jr.
(202) 523-4060

RESPONDENT Citizens to Elect Campenni

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Republican Party of New Jersey (RPONJ) and the '76 Campaign Dinner ('76 CD).

The audit for the Republican Party of New Jersey and the '76 Campaign Dinner covered the period commencing September 1, 1976, through December 31, 1976. The records of the New Jersey Republican Finance Committee (RFC) were reviewed through 1978.

These audits revealed that the '76 CD and its affiliated political committee, the RPONJ, violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive joint contribution to the Citizens to Elect Campenni.

FACTUAL AND LEGAL ANALYSIS

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceed $1,000. Additionally, 2 U.S.C. § 441a(f) provides that a political committee shall not knowingly accept an excessive contribution in violation of the contribution and expenditure limitation.

On October 26, and November 1, 1976, the '76 CD and the RPONJ jointly contributed a total of $1,250.00 to the Citizens to Elect Campenni.

Therefore, the General Counsel recommends that the Commission find reason to believe that in 1976 the Citizens to Elect Campenni violated 2 U.S.C. § 441a(f) by accepting a joint contribution in excess of the $1,000.00 contribution limitation from two affiliated political committees, the Republican Party of New Jersey and the '76 Campaign Dinner committee; but no further action should be taken and the file should be closed.

RECOMMENDATION

1. Find reason to believe that in 1976 the Citizens to Elect Campenni violated 2 U.S.C. § 441a(f).

2. Take no further action and close the file.

FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gary Van Decker
Van Decker Brothers, Inc.
1501 Valley Road
Wayne, New Jersey 07470

RE: MUR 1039

Dear Mr. Van Decker:

On , 1981, the Commission found reason to believe that your corporation violated section 441b of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission reminds you that your corporate contribution nevertheless appears to be a violation of the Act and you should take immediate steps to insure that this activity does not occur in the future.

A report on the Commission's finding is attached for your information.

If you have any questions, please direct them to Conley Edwards, Jr. at 202/523-4060.

Sincerely,

Enclosure

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR NO. 1039

STAFF MEMBER(S) & TEL. NO.

RESPONDENT Van Decker Brothers, Inc.

Conley Edwards, Jr.

(202) 523-4060

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Republican Party of New Jersey (RPONJ) and the '76 Campaign Dinner ('76 CD).

The audit for the Republican Party of New Jersey and the '76 Campaign Dinner covered the period commencing September 1, 1976, through December 31, 1976. The records of the New Jersey Republican Finance Committee (RFC) were reviewed through 1978.

FACTUAL AND LEGAL ANALYSIS

2 U.S.C. § 441b expressly forbids any contributions and/or expenditures of corporate funds in connection with any election of any federal candidate or for any federal candidate to knowingly accept, receive, or expend any corporate funds in connection with any federal election.

On October 31, 1976, Van Decker Brothers, Inc., made a $100.00 corporate contribution to the Republican Party of New Jersey.

Therefore, the General Counsel recommends that the Commission find reason to believe that Van Decker Brothers, Inc., violated 2 U.S.C. § 441b by making a $100.00 corporate contribution to the Republican Party of New Jersey; but no further action should be taken and the file should be closed.

RECOMMENDATION

1. Find reason to believe that Van Decker Brothers, Inc., violated 2 U.S.C. § 441b.

2. Take no further action and close the file.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John T. Fogarty
Schering-Plough, Inc.
2000 Galloping Hill Road
Kenilworth, New Jersey 07032

RE: MUR 1039

Dear Mr. Fogarty:

On , 1981, the Commission found reason to believe that your corporation violated section 441b of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 10 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission reminds you that your corporate contribution nevertheless appears to be a violation of the Act and you should take immediate steps to insure that this activity does not occur in the future.

A report on the Commission's finding is attached for your information.

If you have any questions, please direct them to Conley Edwards, Jr. at 202/523-4060.

Sincerely,

Enclosure

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR NO. 1039

STAFF MEMBER(S) & TEL. NO.

RESPONDENT Schering-Plough, Inc.

Conley Edwards, Jr.

(202) 523-4060

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Republican Party of New Jersey (RPONJ) and the '76 Campaign Dinner ('76 CD).

The audit for the Republican Party of New Jersey and the '76 Campaign Dinner covered the period commencing September 1, 1976, through December 31, 1976. The records of the New Jersey Republican Finance Committee (RFC) were reviewed through 1978.

FACTUAL AND LEGAL ANALYSIS

2 U.S.C. § 441b expressly forbids any contributions and/or expenditures of corporate funds in connection with any election of any federal candidate or for any federal candidate to knowingly accept, receive, or expend any corporate funds in connection with any federal election.

On October 27, 1976, Schering-Plough, Inc., made a $100.00 corporate contribution to the '76 Campaign Dinner committee.

Therefore, the General Counsel recommends that the Commission find reason to believe that Schering-Plough, Inc., violated 2 U.S.C. § 441b by making a $100.00 corporate contribution to the '76 Campaign Dinner committee; but no further action should be taken and the file should be closed.

RECOMMENDATION

1. Find reason to believe that Schering-Plough, Inc., violated 2 U.S.C. § 441b.

2. Take no further action and close the file.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 17, 1980

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

THROUGH: ORLANDO B. POTTER B.L. for O.B.P.
STAFF DIRECTOR

FROM: BOB COSTA

SUBJECT: ISSUANCE OF FINAL AUDIT REPORT - REPUBLICAN PARTY OF NEW JERSEY AND THE '76 CAMPAIGN DINNER

On August 10, 1979, matters noted during the audit of the referenced committees were referred to your office for non-compliance with audit recommendations and are now included in MUR 1039.

On June 16, 1980, the Commission voted 6-0 to approve the final audit report on the Republican Party of New Jersey and the '76 Campaign Dinner which notes that certain matters were referred to your office. While it is our intention to hold the report for release to the Committee pending your notifying them officially of matters being considered under MUR 1039, the need to clear our inventory of cases necessitates this request that you expedite the handling of this MUR so that we may release the report as soon as possible. Thank you.

A-540

FEDERAL ELECTION COMMISSION

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

September 27, 1979

MEMORANDUM TO: Bob Costa/Craig Russell

THROUGH: Orlando B. Potter
Staff Director

FROM: William C. Oldaker
General Counsel

SUBJECT: Republican Party of New Jersey and the '76 Campaign Dinner - Failure to Respond to Recommendations in Letter of Audit Findings

In January of this year the Office of General Counsel provided a legal analysis of the Interim Audit Report of the Republican Party of New Jersey and the '76 Campaign Dinner. In that analysis we recommended that the New Jersey Republican Finance Committee obtain a refund of its $3,614.36 transfer to the Norcross for Senate Committee since this transfer was an excessive contribution under 2 U.S.C. §441a(a)(1)(A) and violated 2 U.S.C. §441b since this committee accepted corporate contributions. This transfer also qualified the New Jersey Republican Finance Committee as a political committee, although this entity has never registered nor reported. No refund of the transfer has been obtained according to the Audit Division's August 10 memo. We therefore recommend that a MUR be initiated alleging violations of 2 U.S.C. §§441b, 441a(a)(1)(A), 433 and 434 by the New Jersey Republican Finance Committee.

The Republican Party of New Jersey (RPONJ), a committee which registered and reported to the Commission in 1976, contributed $2,000 to the Norcross for U.S. Senate Committee. The RPONJ did not qualify as a multicandidate committee at the time of the transfer since it had not been registered with the Commission for 6 months. Thus this contribution was in excess of the

limits under 2 U.S.C. §441a(a)(1)(A). The auditors requested that the RPONJ obtain a refund from the Norcross for U.S. Senate Committee of that portion of the contribution in excess of $1,000. No refund has been obtained to date. We recommend inclusion of this finding in a MUR.

The RPONJ and the '76 Campaign Dinner Committee each claimed affiliation with the New Jersey Republican Finance Committee which established both of these committees. Together the RPONJ and the '76 Campaign Dinner contributed a total of $1,250 to Anthony L. Campenni, congressional candidate in 1976. If the RPONJ and the '76 Campaign Dinner are affiliated, then their combined contribution to Campenni violated 2 U.S.C. §441a(a)(1)(A).[1/] The auditors requested the RPONJ and '76 Campaign Dinner obtain a refund of the excessive portion of the contribution from Campenni however no refund was effected. We would recommend alleging in a MUR action that RPONJ and the '76 Campaign Dinner Committee violated 2 U.S.C. §441a(a)(1)(A) with respect to their combined contribution to Campenni.

The auditors also requested the RPONJ and the '76 Campaign Dinner Committee to refund a $100 corporate contribution which each received. No refunds have been made. Consequently we would include allegations that the RPONJ and the '76 Campaign Dinner violated 2 U.S.C. §441b.

Finally we would include in the MUR allegations that the Norcross for U.S. Senate Committee violated 2 U.S.C. §441a(a)(1)(A) by accepting contributions from the Republican Finance Committee, the RPONJ and the '76 Campaign Dinner and that Anthony Campenni violated this same provision by accepting contributions from the RPONJ and the '76 Campaign Dinner.

1/ None of these committees, the New Jersey Republican Finance Committee, the RPONJ and the '76 Campaign Dinner, qualified as multicandidate committees.

Attachment: Audit Report

A.94

FEDERAL ELECTION COMMISSION

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

August 10, 1979

MEMORANDUM

TO: WILLIAM OLDAKER

THROUGH: ORLANDO B. POTTER B.L. for O.B.P.
STAFF DIRECTOR

FROM: RJC BOB COSTA/CRAIG RUSSELL CR

SUBJECT: REPUBLICAN PARTY OF NEW JERSEY AND THE '76 CAMPAIGN DINNER - FAILURE TO RESPOND TO RECOMMENDATIONS IN LETTER OF AUDIT FINDINGS

In our memorandum dated November 17, 1978, we referred several matters to your Office for legal analysis which arose from audits of the above referenced committees. (See Attachment I) Your response (see Attachment II), embodied several recommendations which were included in the audit letters mailed on May 16, 1979, to the Treasurer of the Republican Party of New Jersey ("RPONJ") and the '76 Campaign Dinner ("76 CD"), as well as the Chairman of the unregistered state level organization, the New Jersey Republican Finance Committee ("RFC"), (see Attachment III). The following is keyed to the sub-headings in the previous memoranda to facilitate cross-referencing.

A. Federal Activity by the New Jersey Republican Finance Committee

Regarding the transfer by the RFC of $3,614.36 to Norcross for U.S. Senate and the resulting apparent violations of 2 U.S.C. Sections 433, 434, 441a(a)(1)(A) and 441b, we recommended in our letter to the RFC that a refund of the total amount be obtained from the Norcross committee and documentation of the refund be provided to the Audit staff within 30 days of notification. On June 6, 1979, the Chairman of RFC submitted a copy of a letter sent to Mr. David Norcross requesting the refund (Attachment IV). In a telephone conversaton of July 25, 1979 with a member of the Audit staff, the Chairman stated that he had not received the requested refund nor, in his opinion, was Mr. Norcross in any position to make such a refund.

B. Excessive Contributions to Federal Candidates

As discussed in previous memoranda, the RPONJ also made a $2,000 contribution to Norcross for U.S. Senate and the RPONJ and '76 CD jointly transferred $1,250 to Anthony L. Campenni, Candidate for Congress. Since these transfers represented contributions in excess of the applicable limitations set forth in 2 U.S.C. 441a(a)(1)(A), we recommended to the Treasurer of the RPONJ and '76 CD in our audit letter of May 16, 1979, that refunds of the excessive amounts be obtained from the two (2) candidates involved, and documentation of the refunds provided. The request to Mr. David Norcross for the refund of $1,000 was included in the letter to Mr. Norcross referred to in the preceding section (see Attachment IV). As of this date, this refund also has not been received by the RPONJ Treasurer. On July 16, 1979, the Treasurer of the RPONJ and '76 CD submitted a letter to the Audit staff which included a statement to the effect that his efforts to reach Mr. Campenni concerning the refund had been unsuccessful. He added that his investigation had disclosed that Mr. Campenni had apparently moved to Florida and his present whereabouts are unknown.

C. Corporate Contributions

Regarding the acceptance of corporate contributions by the RPONJ and '76 CD, the Treasurer of these committees has submitted a copy of a letter sent by him to the existing New Jersey Republican State Committee (Attachment V) requesting that they provide the funds for making refunds of these contributions. In our conversation with the Treasurer on July 25, he reiterated his position that, since the RPONJ and '76 CD had long since terminated and transferred residual funds to the RFC (which has since closed its operations and transferred residual funds to the N.J. Republican State Committee), he is not in a position as Treasurer of the RPONJ and '76 CD to make the requested refunds.

In accordance with the recommendations of your Office included in the memorandum of response (Attachment II referred to previously), we are referring these matters for further legal review and possible MUR action. If you have any questions, please contact Craig Russell on extension 3-4155.

Attachments as stated

ATTACHMENT I

FEDERAL ELECTION COMMISSION

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

November 17, 1978

MEMORANDUM

TO : WILLIAM OLDAKER

THROUGH : ORLANDO B. POTTER
STAFF DIRECTOR

FROM : BOB COSTA/CRAIG RUSSELL

SUBJECT : AUDITS OF THE REPUBLICAN PARTY OF NEW JERSEY AND THE '76 CAMPAIGN DINNER

During the recent audits of the Republican Party of New Jersey and its affiliate, the '76 Campaign Dinner, the following matters were noted which are being referred to your office for legal review and concurrence with our recommendations, as stated.

Introduction

The Republican Party of New Jersey (RPONJ) and the '76 Campaign Dinner ('76CD) were registered on September 28, 1976 with the Federal Election Commission as separate Federal accounts, affiliated with and established by the New Jersey Republican Finance Committee (RFC), an unregistered state level party organization. Residual funds totaling $24,534.40 were transferred to the RFC when both Federal accounts terminated their reporting to the FEC in December of 1976. The RFC itself maintained three (3) bank accounts as follows: 1) an "intra-state" account for receiving contributions for state and local purposes, including Federally-prohibited contributions permissable under N.J. State Law, 2) a "Keyman" account for major contributions from individuals, and 3) a "Rockefeller" account for proceeds from a fundraiser in June of 1976 at which then Vice President Rockfeller was in attendance; all funds to be used for state and local purposes only, according to the past Treasurer of the RFC. On January 31, 1978, the RFC terminated all activities and transferred its residual funds to the present party organization: the New Jersey State Republican Party, Trenton, New Jersey.

The audits covered the period during which the Federal accounts reported with the FEC: September 1, 1976 to December 13, 1976. In addition, because of financial activity between the Federal accounts and the RFC, records of the RFC were reviewed up to January, 1978.

A. Federal Activity by the N.J. Republican Finance Committee

During the course of the audit, we noted from our review of RFC records a transfer from the RFC's "Keyman" account on March 1, 1977 (after the Federal accounts had terminated and transferred their residual funds to the RFC "Keyman" account) to Norcross for Senator in the amount of $3,614.36. Our review of the deposits to this account after January 1, 1977, and prior to March 1, 1977, showed that nine (9) corporate contributions had been accepted, totaling $375.00. The Treasurer stated that the transfer had been authorized by the RFC Executive Committee on November 16, 1976 (when the Federal accounts were in operation) but not made until March 1, 1977.

The auditors believe this transaction represents a contribution to a Federal candidate in excess of $1,000 and thus subjected the RFC to the registration and reporting requirements of 2 U.S.C 433 and 434. In addition, since the RFC did not qualify as a multi-candidate committee, the RFC, as a political committee under the Act, apparently has violated the limitation of 2 U.S.C. 441a(a)(1)(A Furthermore, the funds contributed to the Federal candidate were ostensibly commingled with contributions prohibited under the Act.

B. Excessive Contributions to Federal Candidates

Neither Federal Committee had been registered long enough with the FEC to qualify for multicandidate status. However, during the audit we noted transfers in excess of the applicable $1,000 limit set forth in 2 U.S.C. 441a(a)(1)(A). The RPONJ transferred $2,000 to Norcross for Senate 1/ on October 25, 1976. In addition, the RPONJ and '76 CD contributed a total of $1,250 to Anthony L. Campenni, Candidate for Congress from New Jersey on October 26 and November 1, 1976. According to registration amendments filed with the FEC, these two (2) Committees (RPONJ and '76 CD) are affiliated and thus share the same limitation.

1/ Although the reported Committee name is slightly different from the one referred to in Finding A (obtained from RFC records), available evidence indicates that both transfers were made to the same Committee.

C. Corporate Contributions

During the course of the audit it was noted that the RPONJ and '76 Campaign Dinner each accepted an apparent corporate contribution in the amount of $100.00 in 1976. The Committee was contacted and a request was made for additional documentation, verifying or disproving the corporate source of these contributions. The Treasurer has responded that both companies have confirmed that the contributions in question were, in fact, drawn on corporate accounts. The Committee Treasurer stated no refunds could be made since both the RFC and its Federal accounts had long since terminated operation.

Recommendation

The Audit staff recommends that these corporate contributions be refunded by the existing New Jersey State Republican Party, which received the RFC's residual funds January 31, 1978.

If you have any questions, please contact Craig Russell or Jim Commeree at extension 3-4155.

ATTACHMENT II

FEDERAL ELECTION COMMISSION

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

Rec'd from Legal 1/19/79

MEMORANDUM

TO: Bob Costa

THROUGH: Orlando B. Potter
Staff Director

FROM: William C. Oldaker
General Counsel

SUBJECT: Audits of the Republican Party of New Jersey and the '76 Campaign Dinner

The Office of General Counsel has reviewed the referral by the Audit Division dated November 17, 1978, concerning the above-named matters. We make the following comments.

A. Federal Activity by the New Jersey Republican Finance Committee

The Office of General Counsel agrees that the transfer of $3,614.36 by the New Jersey Republican Finance Committee, ("RFC"), an unregistered state level party organization, to Norcross for Senator caused violations of 2 U.S.C. §§ 433, 434, 441a(a)(1)(A) and 441b. If the ex-Treasurer of the RFC were to obtain a refund of $3,614.36 from the Norcross for Senate Committee, the Office of General Counsel believes that the registration and reporting obligations of the RFC would be eliminated and corporate and excessive contribution related violations would be rectified for both the RFC and the Norcross for Senate Committee. In the event, however, that the ex-Treasurer fails to obtain documented refunds, this matter should be referred again to this Office for possible MUR action. If refunds are recovered, they should be turned over by the ex-Treasurer to the successor committee, the New Jersey State Republican Party.

B. Excessive Contributions to Federal Candidates

The $2,000 contribution from the RPONJ to Norcross for Senate is, indeed, an excessive contribution for which a $1,000 refund should be sought by the ex-Treasurer of the

ATTACHMENT II

RPONJ. The total contribution of $1,250 to Anthony L. Campenni, candidate for Congress, for the general election in 1976, from the RPONJ and '76 CD is also excessive in light of the affiliated status of these two committees. In both cases above, the ex-Treasurer should seek refunds on behalf of the now defunct committees which made these transfers. Again, if refunds are received, this money should be turned over to the New Jersey State Republican Party. If documented refunds are not obtained, the matter should be referred to this Office for further action.

C. Corporate Contributions

The Office of General Counsel believes that since the New Jersey State Republican Party is not a registered Federal committee, acceptance of residual funds from political committees which accepted corporate contributions is not a violation of 2 U.S.C. § 441b on the part of the Party. Therefore, we do not believe that this entity should be responsible for refunding the two $100 corporate contributions noted by the auditors. Rather, the ex-Treasurers of the '76 CD and the RPONJ should refund these contributions. Failure to do so would result in this matter being referred again to this Office for further action.

ATTACHMENT III

FEDERAL ELECTION COMMISSION

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

May 16, 1979

Mr. John H. Ewing, Treasurer
Republican Party of New Jersey
and '76 Campaign Dinner
P.O. Box 352
Bedminster, New Jersey 07921

Dear Mr. Ewing:

The attached is to formally advise you of the findings and recommendations of the Audit staff resulting from the audits of the Republican Party of New Jersey and the '76 Campaign Dinner. These matters were discussed with you at the conclusion of the fieldwork in Bernardsville, New Jersey on July 21, 1978.

You are requested to comply with the stated recommendations within 30 days of receipt of this letter. After expiration of the 30 day period and receipt of your response, the Audit staff will present a final audit report to the Commission for approval and subsequent public release. Efforts to comply with the recommendations will be noted in the report when presented.

Should you not respond adequately to these recommendations within the time specified above, in accordance with Commission policy, the matter will be referred to the Commission's Office of General Counsel with a recommendation that an order or subpoena be prepared requiring compliance with the staff recommendations.

If you have any questions regarding these matters, please do not hesitate to contact Mr. Craig Russell or Mr. Jim Commerce at (202) 523-4155 or toll free at (800) 424-9530.

Sincerely,

Robert J. Costa
Assistant Staff Director
for the Audit Division

Attachment as stated

CERTIFIED MAIL:
RETURN RECEIPT REQUESTED

Findings and Recommendations

A. Excessive Contributions to Federal Candidates

Section 441a(a)(1)(A) of Title 2, United States Code, states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

During the course of the audit, we determined that neither the Republican Party of New Jersey (RPONJ) nor '76 Campaign Dinner ('76CD) were registered with the Federal Election Commission long enough to qualify for multicandidate committee status. In addition, according to registration statements filed with the Commission, the RPONJ and '76CD were affiliated and thus shared the same limitation. Our audit determined that the RPONJ transferred $2,000 to the Norcross for Senate Committee on October 25, 1976. In addition, the RPONJ and '76CD contributed a total of $1,250 to Anthony L. Campenni, Candidate for Congress from New Jersey on October 26 and November 1, 1976.

Recommendation

The auditors recommend that the RPONJ and '76CD obtain refunds of the amounts in excess of the $1,000 limitation from the above mentioned Candidate and Committee within 30 days of receipt of this letter. It is also recommended that documentation of the receipt of these refunds (i.e., copies of the refund checks and bank statements indicating the deposit of the refund checks) be forwarded to the auditors.

B. Acceptance of Corporate Contributions

Section 441b(a) of Title 2, United States Code, states, in relevant part, it is unlawful for any corporation to make a contribution in connection with any election to Federal office, or for any political committee knowingly to accept or receive any contribution prohibited by this section.

During the course of the audit it was determined that the RPONJ and '76 Campaign Dinner each accepted a contribution of $100 from a business entity. Subsequent to audit fieldwork, the incorporated status of these companies was verified with the New Jersey Secretary of State. In addition, you have responded that both companies have confirmed that the contributions in question were, in fact, drawn on corporate accounts.

Recommendation

It is the recommendation of the Audit staff that the Committees refund these contributions within 30 days of receipt of this letter, and provide documentation of the refunds (copies of cancelled checks), to the Audit staff for review.

C. Retention of Documentation for Expenditures

Section 432(d) of Title 2, United States Code, states it shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of $100 in amount, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds $100.

Section 102.9(c)(4) of Title 11, Code of Federal Regulations, permits the treasurer to keep, when a receipted bill is not available, the cancelled check(s) showing payment(s) of the bill; and the bill, invoice or other contemporaneous memorandum of the transaction containing the particulars.

During our review of RPONJ and '76CD expenditures, we determined that for 20 expenditures, totaling $6,628.11, inadequate documentation (cancelled checks only) was retained by the two (2) Committees. These expenditures represented 46.5% of the number and 18.4% of the total dollar value of expenditures of the two (2) Committees requiring such documentation.

At the conclusion of the audit fieldwork, we requested that you obtain copies of the missing documentation for review by the Audit staff. You agreed to comply with our request.

Recommendation

The Audit staff recommends that the Committees, within 30 days of receipt of this letter, obtain and present for review sufficient documentation for those expenditures presently lacking same, or present evidence of their reasonable efforts to obtain it.

D. Other Matters

Presented below are matters noted during the course of the audit, for which the Audit staff recommends no further action:

1) the Committees failed to itemize on their disclosure reports four (4) $100 transfers-in from subordinate party committees/organizations and one (1) $100 individual contribution aggregating in excess of $100.

2) the '76 Campaign Dinner failed to file separate schedules of fundraising receipts for the two (2) events held in 1976. However, we noted that contributor information for these fundraisers was otherwise disclosed as required; and

3) the Republican Party of New Jersey disclosed transfers to Federal candidate committees on line 20a (for operating expenditures) rather than line 24b, as required. However, we noted that their support of Federal candidates was otherwise disclosed as required.

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 16, 1979

Mr. John H. Ewing, Chairman
New Jersey Republican Finance
Committee
P.O. Box 352
Bedminster, New Jersey 07921

Dear Mr. Ewing:

The attached is to formally advise you of the finding and recommendation of the Audit staff resulting from the audit of the New Jersey Republican Finance Committee. This matter was discussed with you at the conclusion of the fieldwork in Bernardsville, New Jersey on July 21, 1978.

You are requested to comply with the stated recommendation within 30 days of receipt of this letter. After expiration of the 30 day period and receipt of your response, the Audit staff will present a final audit report to the Commission for approval and subsequent public release. Efforts to comply with the recommendation will be noted in the report when presented.

Should you not respond adequately to the recommendation within the time specified above, in accordance with Commission policy, the matter will be referred to the Commission's Office of General Counsel with a recommendation that an order or subpoena be prepared requiring compliance with the staff recommendation.

If you have any questions regarding this matter, please do not hesitate to contact Mr. Craig Russell or Mr. Jim Commerce at (202) 523-4155 or toll free at (800) 424-9530.

Sincerely,

Robert J. Costa
Assistant Staff Director
for the Audit Division

Attachment as stated

CERTIFIED MAIL:
RETURN RECEIPT REQUESTED

Federal Activity by the New Jersey Republican Finance Committee (RFC)

Sections 433 and 434 of Title 2, United States Code, require each political committee which makes expenditures influencing the election of any person to Federal office during the calendar year in an aggregate amount exceeding $1,000 to register with the Federal Election Commission and file reports of receipts and expenditures.

Section 441a(a)(1)(A) of Title 2, United States Code, states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

During the course of the audits of the Republican Party of New Jersey and its affiliate, the '76 Campaign Dinner, we also reviewed RFC records and noted a transfer from the RFC on March 1, 1977 to Norcross for U.S. Senate in the amount of $3,614.36. When questioned concerning this transaction, the Chairman of the RFC stated that the transfer had been authorized by the RFC Executive Committee on November 16, 1976 (when the Federal accounts were in operation) but not made until March 1, 1977.

In as much as this transaction represents a contribution to a Federal candidate in excess of $1,000, the RFC is subject to the registration and reporting requirements of 2 U.S.C. 433 and 434. In addition, since the RFC was not registered with the Commission it did not qualify as a multicandidate committee and, therefore, was subject to the $1,000 limitation set forth above.

Recommendation

It is our recommendation that the Chairman of the RFC obtain a refund of $3,614.36 1/ from the Norcross for U.S. Senate committee and provide documentation of this refund to the Audit staff, within 30 days of receipt of this letter. When the refund is recovered, it should be turned over to the successor committee, the New Jersey State Republican Party.

1/ We are recommending a refund of the full $3,614.36 because we noted the acceptance of nine (9) apparent corporate contributions, totaling $375.00, into the RFC "Keyman" account (from which the above transfer was made) during the period January 1 to March 1, 1977. Since the transfer to Norcross for U.S. Senate could therefore have contained corporate funds prohibited by 2 U.S.C. 441b(a), a refund of the full amount is required to rectify the apparent violation of this section.

ATTACHMENT IV

JOHN H. EWING
PEAPACK
NEW JERSEY 07921

AREA CODE 201
[illegible]

May 31, 1979

Mr. David Norcross
Chairman
New Jersey Republican State Committee
28 West State Street
Trenton, New Jersey 08625

Dear Dave:

I am enclosing a copy of two letters which were sent to me by the Federal Election Commission.

On the letter addressed to me as " Chairman, New Jersey Republican Finance Committee, " you will note on the attached sheet that it will be necessary to make a refund of $ 3,614. 6 from the Norcross for U.S. Senate Committee and such monies will then be turned over to the present New Jersey Republican Party account.

I feel that we could show the Federal Election Commission that there was a substantial amount of non-corporate funds in the Key Man account and therefore their reasoning for the refund should not hold up. However, I feel it necessary that I make the request for the above refund at this time.

In connection with the letter addressed to me as " Treasurer, Republican Party of New Jersey and 76' Campaign Dinner, you will note their findings and recommendations, Paragraph A " it is requested that you make a refund of $ 1000.00."

I would appreciate having the two checks mailed to me so that I can make the proper deposits and verifications back to the Federal Election Commission.

Sincerely,

JOHN H. EWING

JHE/dak

CC: Richard Weinroth - Counsel, New Jersey Republican State Committee

Robert J. Costa - Federal Election Commission

ATTACHMENT V

AREA CODE 201
234-0768

JOHN H. EWING
PEAPACK
NEW JERSEY 07921

June 15, 1979

Mr. David Norcross
Chairman
New Jersey Republican State Committee
28 West State Street
Trenton, New Jersey 08625

Dear Dave,

Pursuant to my recent correspondence to you and also our verbal conversation with regard to the Federal Election Law Commission's inquiry dated June 6, 1979, I would appreciate the following checks to be made out at your earliest convenience and sent to me so I can forward them with a covering letter.

$100.00 - Van Decker Brothers, Inc.
1501 Valley Road
Wayne, New Jersey 07470

$100.00 - Schering - Plough, Inc.
2000 Galloping Hill Road
Kenilworth, New Jersey 07033

As I explained to you, and also you will note in the copy of the Federal Election Law Commission letter addressed to (copy attached) me as Chairman, New Jersey Republican Finance Committee, a refund has been requested.

I am hopeful that we can clear up this matter as soon as possible.

Thank you very much.

Sincerely,

JOHN H. EWING

JHE/bab
Attachment

A 372

To Potter 1-15-79

FEDERAL ELECTION COMMISSION

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

MEMORANDUM

TO: Bob Costa

THROUGH: Orlando B. Potter
Staff Director

FROM: William C. Oldaker
General Counsel

SUBJECT: Audits of the Republican Party of New Jersey and the '76 Campaign Dinner

The Office of General Counsel has reviewed the referral by the Audit Division dated November 17, 1978, concerning the above-named matters. We make the following comments.

A. Federal Activity by the New Jersey Republican Finance Committee

The Office of General Counsel agrees that the transfer of $3,614.36 by the New Jersey Republican Finance Committee, ("RFC"), an unregistered state level party organization, to Norcross for Senator caused violations of 2 U.S.C. §§ 433, 434, 441a(a)(1)(A) and 441b. If the ex-Treasurer of the RFC were to obtain a refund of $3,614.36 from the Norcross for Senate Committee, the Office of General Counsel believes that the registration and reporting obligations of the RFC would be eliminated and corporate and excessive contribution related violations would be rectified for both the RFC and the Norcross for Senate Committee. In the event, however, that the ex-Treasurer fails to obtain documented refunds, this matter should be referred again to this Office for possible MUR action. If refunds are recovered, they should be turned over by the ex-Treasurer to the successor committee, the New Jersey State Republican Party.

B. Excessive Contributions to Federal Candidates

The $2,000 contribution from the RPONJ to Norcross for Senate is, indeed, an excessive contribution for which a $1,000 refund should be sought by the ex-Treasurer of the

RPONJ. The total contribution of $1,250 to Anthony L. Campenni, candidate for Congress, for the general election in 1976, from the RPONJ and '76 CD is also excessive in light of the affiliated status of these two committees. In both cases above, the ex-Treasurer should seek refunds on behalf of the now defunct committees which made these transfers. Again, if refunds are received, this money should be turned over to the New Jersey State Republican Party. If documented refunds are not obtained, the matter should be referred to this Office for further action.

C. Corporate Contributions

The Office of General Counsel believes that since the New Jersey State Republican Party is not a registered Federal committee, acceptance of residual funds from political committees which accepted corporate contributions is not a violation of 2 U.S.C. § 441b on the part of the Party. Therefore, we do not believe that this entity should be responsible for refunding the two $100 corporate contributions noted by the auditors. Rather, the ex-Treasurers of the '76 CD and the RPONJ should refund these contributions. Failure to do so would result in this matter being referred again to this Office for further action.

A-332

FEDERAL ELECTION COMMISSION

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

November 17, 1978

MEMORANDUM

TO : WILLIAM OLDAKER

THROUGH : ORLANDO B. POTTER
STAFF DIRECTOR

FROM : BOB COSTA/CRAIG RUSSELL

SUBJECT : AUDITS OF THE REPUBLICAN PARTY OF NEW JERSEY AND THE '76 CAMPAIGN DINNER

During the recent audits of the Republican Party of New Jersey and its affiliate, the '76 Campaign Dinner, the following matters were noted which are being referred to your office for legal review and concurrence with our recommendations, as stated.

Introduction

The Republican Party of New Jersey (RPONJ) and the '76 Campaign Dinner ('76CD) were registered on September 28, 1976 with the Federal Election Commission as separate Federal accounts, affiliated with and established by the New Jersey Republican Finance Committee (RFC), an unregistered state level party organization. Residual funds totaling $24,534.40 were transferred to the RFC when both Federal accounts terminated their reporting to the FEC in December of 1976. The RFC itself maintained three (3) bank accounts as follows: 1) an "intra-state" account for receiving contributions for state and local purposes, including Federally-prohibited contributions permissable under N.J. State Law, 2) a "Keyman" account for major contributions from individuals, and 3) a "Rockefeller" account for proceeds from a fundraiser in June of 1976 at which then Vice President Rockfeller was in attendance; all funds to be used for state and local purposes only, according to the past Treasurer of the RFC. On January 31, 1978, the RFC terminated all activities and transferred its residual funds to the present party organization: the New Jersey State Republican Party, Trenton, New Jersey.

The audits covered the period during which the Federal accounts reported with the FEC: September 1, 1976 to December 13, 1976. In addition, because of financial activity between the Federal accounts and the RFC, records of the RFC were reviewed up to January, 1978.

A. Federal Activity by the N.J. Republican Finance Committee

During the course of the audit, we noted from our review of RFC records a transfer from the RFC's "Keyman" account on March 1, 1977 (after the Federal accounts had terminated and transferred their residual funds to the RFC "Keyman" account) to Norcross for Senator in the amount of $3,614.36. Our review of the deposits to this account after January 1, 1977, and prior to March 1, 1977, showed that nine (9) corporate contributions had been accepted, totaling $375.00. The Treasurer stated that the transfer had been authorized by the RFC Executive Committee on November 16, 1976 (when the Federal accounts were in operation) but not made until March 1, 1977.

The auditors believe this transaction represents a contribution to a Federal candidate in excess of $1,000 and thus subjected the RFC to the registration and reporting requirements of 2 U.S.C 433 and 434. In addition, since the RFC did not qualify as a multi-candidate committee, the RFC, as a political committee under the Act, apparently has violated the limitation of 2 U.S.C. 441a(a)(1)(A) Furthermore, the funds contributed to the Federal candidate were ostensibly commingled with contributions prohibited under the Act.

B. Excessive Contributions to Federal Candidates

Neither Federal Committee had been registered long enough with the FEC to qualify for multicandidate status. However, during the audit we noted transfers in excess of the applicable $1,000 limit set forth in 2 U.S.C. 441a(a)(1)(A). The RPONJ transferred $2,000 to Norcross for Senate 1/ on October 25, 1976. In addition, the RPONJ and '76 CD contributed a total of $1,250 to Anthony L. Campenni, Candidate for Congress from New Jersey on October 26 and November 1, 1976. According to registration amendments filed with the FEC, these two (2) Committees (RPONJ and '76 CD) are affiliated and thus share the same limitation.

1/ Although the reported Committee name is slightly different from the one referred to in Finding A (obtained from RFC records), available evidence indicates that both transfers were made to the same Committee.

C. Corporate Contributions

During the course of the audit it was noted that the RPONJ and '76 Campaign Dinner each accepted an apparent corporate contribution in the amount of $100.00 in 1976. The Committee was contacted and a request was made for additional documentation, verifying or disproving the corporate source of these contributions. The Treasurer has responded that both companies have confirmed that the contributions in question were, in fact, drawn on corporate accounts. The Committee Treasurer stated no refunds could be made since both the RFC and its Federal accounts had long since terminated operation.

Recommendation

The Audit staff recommends that these corporate contributions be refunded by the existing New Jersey State Republican Party, which received the RFC's residual funds January 31, 1978.

If you have any questions, please contact Craig Russell or Jim Commeree at extension 3-4155.

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FEDERAL ELECTION COMMISSION

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

November 17, 1978

MEMORANDUM

TO : WILLIAM OLDAKER

THROUGH : ORLANDO B. POTTER
STAFF DIRECTOR

FROM : BOB COSTA/CRAIG RUSSELL

SUBJECT : AUDITS OF THE REPUBLICAN PARTY OF NEW JERSEY AND THE '76 CAMPAIGN DINNER

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