



FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF TMR # 1261

Date Filmed 12/16/80 Camera No. --- 2

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american school food service association

address reply to:
4101 East Iliff Avenue
Denver, Colorado 80222

December 2, 1980

Kenneth A. Gross
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MVR1261

Dear Mr. Gross:

I am in receipt of your letter of November 24, 1980. I appreciate very much the position taken by the Commission on this matter. It was inconceivable to me that someone would have filed this complaint, however, I must assume the system for complaints works.

My question is, is it possible, by way of public record, to receive information as to who filed the complaint? If so, would you please advise.

Once again, thank you for your efforts.

Sincerely,

John D. Moseley
John D. Moseley, Ed.D.

JDM/sk1

headquarters: 4101 east iliff avenue, denver, colorado 80222
(800) 525-8575 or (303) 757-8555

6004002477

american school food service association
4101 east iliff, denver, colorado 80222

Kenneth A. Gross
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 24, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert Moore, Executive Director
National Republican Senatorial Committee
227 Massachusetts Avenue, N.W.
Washington, D.C. 20001

Re: MUR 1261

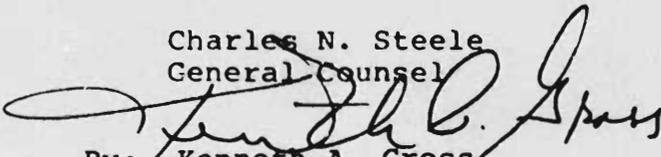
Dear Mr. Moore:

80040224370
The Federal Election Commission has reviewed the allegations of your complaint dated July 21, 1980, and determined, on the basis of the information provided in your complaint and information provided by the Respondents, that there is no reason to believe Chip Goodman, Larry's Food Products, Inc., the Child Nutrition Appreciation Reception, or the American School Food Service Association violated any section of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Commission further determined that there is no reason to believe the McGovern Campaign Committee violated section 441b(a) of the Act, but that there is reason to believe the McGovern Campaign Committee violated section 441d(a) of the Act. However, after considering the circumstances of the matter, the Commission determined to take no further action and close the file.

Should additional information come to your attention which you believe establishes a violation of the Act, please contact Maura White, the staff member assigned to this matter at 202/523-4060.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 24, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John D. Moseley, Executive Director
American School Food Service Association
4101 E. Iliff Avenue
Denver, Colorado 80222

Re: MUR 1261

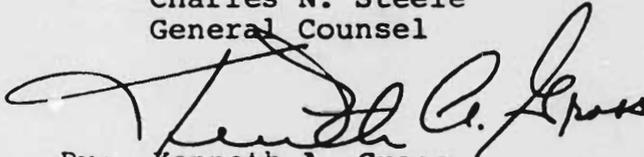
Dear Mr. Moseley:

On July 24, 1980, the Commission notified you of a complaint alleging that the American School Food Service Association may have violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on November 20, 1980, determined, on the basis of the information in the complaint and information provided by you, that there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission has closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

80040024381



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 24, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Marion Edwyn Harrison
Barnett, Alagia and Carey
Ninth Floor
1627 K Street, N.W.
Washington, D.C. 20006

Re: MUR 1261

Dear Mr. Harrison:

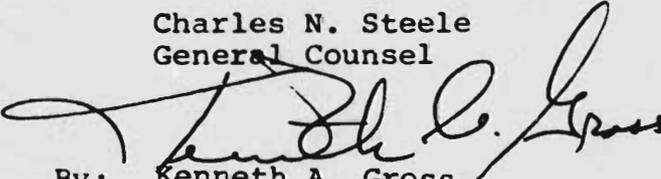
On July 24, 1980, the Commission notified you of a complaint alleging that your clients, Larry's Food Products Inc., Chip Goodman, and the Child Nutrition Appreciation Reception, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on November 20, 1980, determined, on the basis of the information in the complaint and information provided by your clients, that there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission has closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel

By:


Kenneth A. Gross
Associate General Counsel

8004022438



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Marion Edwyn Harrison
Barnett, Alagia and Carey
Ninth Floor
1627 K Street, N.W.
Washington, D.C. 20006

Re: MUR 1261

Dear Mr. Harrison:

On July 24, 1980, the Commission notified you of a complaint alleging that your clients, Larry's Food Products Inc., Chip Goodman, and the Child Nutrition Appreciation Reception, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on November 20, 1980, determined, on the basis of the information in the complaint and information provided by your clients, that there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission has closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel

mw 11/21/80

By: Kenneth A. Gross
Associate General Counsel

8004002478



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 24, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert Bauer
Suite 406
1101 Seventeenth Street, N.W.
Washington, D.C. 20036

Re: MUR 1261

Dear Mr. Bauer:

On July 24, 1980, the Commission notified you of a complaint alleging that your client, the McGovern Campaign Committee, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On November 20, 1980, the Commission determined, on the basis of the information in the complaint and information provided by you, that there is no reason to believe that the McGovern Campaign Committee violated 2 U.S.C. § 441b(a), but that there is reason to believe that your client violated 2 U.S.C. § 441d(a). However, after considering the circumstances of this matter, the Commission has determined to take no further action and close the file in this matter. This matter 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 ten days.

The Commission reminds you that the omission on a solicitation of a notice identifying the person or individual who incurred the cost of the solicitation, and authorized the solicitation, is nevertheless a violation of 2 U.S.C. § 441d(a). Your client should take immediate steps to insure that this activity does not occur in the future.

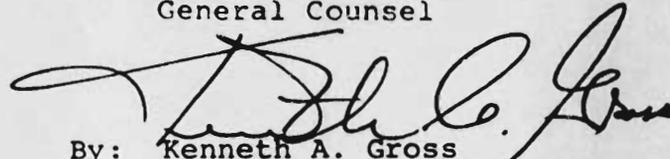
80040224385

Letter to: Robert Bauer
Page 2

If you have any questions please contact Maura White,
the staff member assigned to this matter, at 202/523-4060.

Sincerely,

Charles N. Steele
General Counsel



By: Kenneth A. Gross
Associate General Counsel

00040024386



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert Bauer
Suite 406
1101 Seventeenth Street, N.W.
Washington, D.C. 20036

Re: MUR 1261

Dear Mr. Bauer:

On July 24, 1980, the Commission notified you of a complaint alleging that your client, the McGovern Campaign Committee, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On _____, 1980, the Commission determined, on the basis of the information in the complaint and information provided by you, that there is no reason to believe that the McGovern Campaign Committee violated 2 U.S.C. § 441b(a), but that there is reason to believe that your client violated 2 U.S.C. § 441d(a). However, after considering the circumstances of this matter, the Commission has determined to take no further action and close the file in this matter. This matter 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 ten days.

The Commission reminds you that the omission on a solicitation of a notice identifying the person or individual who incurred the cost of the solicitation, and authorized the solicitation, is nevertheless a violation of 2 U.S.C. § 441d(a). Your client should take immediate steps to insure that this activity does not occur in the future.

80040024397

Letter to: Robert Bauer
Page 2

If you have any questions please contact Maura White,
the staff member assigned to this matter, at 202/523-4060.

Sincerely,

Charles N. Steele
General Counsel

mw 11/21/80

By: Kenneth A. Gross
Associate General Counsel

80040024380

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1261
McGovern Campaign Committee)
Larry's Food Products, Inc.)
Chip Goodman)
American School Food Service Assoc.)
Child Nutrition Appreciation)
Reception)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on November 20, 1980, the Commission decided by a vote of 6-0 to take the following actions regarding MUR 1261:

1. Find NO REASON TO BELIEVE that Larry's Food Products, Inc. or Chip Goodman violated 2 U.S.C. § 441b(a).
2. Find NO REASON TO BELIEVE that the McGovern Campaign Committee violated 2 U.S.C. § 441b(a).
3. Find NO REASON TO BELIEVE that the Child Nutrition Appreciation Reception and the American School Food Service Association violated 2 U.S.C. §§ 433 and 434.
4. Find REASON TO BELIEVE that the McGovern Campaign Committee violated 2 U.S.C. § 441d(a) but take no further action.

(Continued)

80040004790

CERTIFICATION

Page 2

MUR 1261

First General Counsel's Report

Dated November 18, 1980

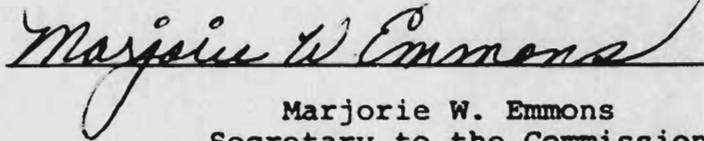
5. Send the letters submitted with the First General Counsel's Report dated November 18, 1980.
6. CLOSE THE FILE.

Commissioners Aikens, Friedersdorf, Harris, McGarry, Reiche, and Tiernan voted affirmatively on this matter.

Attest:

11-21-80

Date



Marjorie W. Emmons
Secretary to the Commission

Received in Office of the Commission Secretary: 11-18-80, 2:43
Circulated on 48 hour vote basis: 11-19-80, 11:00

80044390

November 18, 1990

MEMORANDUM TO: Marjorie W. Emons
FROM: Elissa T. Garr
SUBJECT: MUR 1261

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

80040224391



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

80 NOV 18 P 2: 48

November 18, 1980

MEMORANDUM TO: The Commission
FROM: Charles N. Steele
General Counsel *CS*
SUBJECT: MUR 1261--First General Counsel's Report

Pursuant to the Commission's directive at Executive Session on September 23, 1980, the attached First General Counsel's Report has been redrafted to include a recommendation concerning a possible § 441d(a) violation by the McGovern Campaign Committee, and information reported on the October 15, 1980, quarterly report of the McGovern Campaign Committee.

Attachment

0004022439

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

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION

11-18-80

80 NOV 18 P 2:43

MOR # 1261
DATE COMPLAINT RECEIVED
BY OGC July 21, 1980

STAFF MEMBER White

COMPLAINANT'S NAME:

Robert Moore

RESPONDENT'S NAME:

McGovern Campaign Committee; Larry's Food Products, Inc., Chip Goodman; American School Food Service Assoc.; Child Nutrition Appreciation Reception

RELEVANT STATUTE:

2 U.S.C. §§ 441b, 433, 434, 441d
11 C.F.R. §§ 114, 110.11

INTERNAL REPORTS CHECKED: Public records

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

On July 21, 1980, Robert Moore, Executive Director of the National Republican Senatorial Committee, filed a complaint with the Federal Election Commission against Larry's Food Products, Inc., Chip Goodman, the Child Nutrition Appreciation Reception, the McGovern Campaign Committee, and the American School Food Service Association (Attachment 1). The complaint first alleges that the solicitation of contributions for the McGovern Campaign Committee by Larry's Food Products, Inc., through a fund-raising event referred to as the "Child Nutrition Appreciation Reception," constitutes a corporate contribution by the solicitor in violation of 2 U.S.C. § 441b(a). The complaint further alleges that the solicitation by Larry's Food Products seeks contributions from members of a trade association which includes "approximately twenty-five companies" in violation of 2 U.S.C. § 441b. It also alleges that the receipt of corporate contributions by the McGovern Campaign Committee is a violation of 2 U.S.C. § 441b and that the failure of the Child Nutrition Appreciation Reception and the American School Food Service Association to register as political committees is a violation of 2 U.S.C. §§ 433 and 434.

On July 24, 1980, notification letters were mailed to the five respondents in this matter. The responses of Larry's Food Products, Inc., and Chip Goodman were received on August 14, 1980 (Attachments 2 and 3); the responses of the American School Food Service Association and the McGovern Campaign Committee were received on August 11, 1980, and August 15, 1980, respectively (Attachments 4 and 5).

FACTUAL AND LEGAL ANALYSIS

A. In-kind Corporate Contributions

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The complaint filed in this matter included, as a supporting exhibit, a copy of the solicitation letter and return form which is the subject matter of the complaint. The letter was written on June 25, 1980, by Chip Goodman, Vice President of Larry's Food Products, Inc., on the stationery of Larry's Food Products, Inc. The solicitation letter is marked "PERSONAL," and the return form informs recipients that contribution checks should be made payable to the Child Nutrition Appreciation Reception and returned to Chip Goodman. The solicitation letter further states that the Child Nutrition Appreciation Reception was to be held on July 22, 1980, during the American School Food Service Conference and that it was being conducted for the purpose of raising funds for the reelection effort of Senator George McGovern. While the solicitation and return form expressly states that the proceeds of the event benefit the McGovern Campaign Committee and that only personal checks, not corporate checks, may be accepted, the solicitation does not identify the person or individual who paid for the cost of the solicitation. 1/ Additionally, the identity of the recipient of the specific solicitation letter supplied by the complainant was not disclosed by the complainant.

The responses of Larry's Food Products and Chip Goodman deny that the solicitation and return form referred to in the complaint constitute in-kind corporate contributions to the McGovern Campaign Committee by Larry's

1/ The solicitation letter did state, however, that a copy of the McGovern Campaign Committee report is filed with, and available from, the Federal Election Commission. Prior to the 1979 amendments to the Act, section § 435 of Title 2 required this notice on all literature and advertisements which solicited contributions.

Food Products. An affidavit filed by Chip Goodman, to which the responses of both the McGovern Campaign Committee and Larry's Food Products refer, states that in March and April, 1980, Chip Goodman "acted as an agent of the McGovern Campaign Committee in preparing invitations" to the July 22, 1980, fundraiser. The response of the McGovern Campaign Committee concurs with this statement and asserts that the solicitation "was not prepared by Mr. Goodman as company Vice President but rather as an individual volunteer agent of the McGovern Committee." Mr. Goodman attests that he received the prior approval of Senator McGovern to conduct the fundraiser on behalf of the Senator's campaign committee and "was exclusively responsible for compiling lists of names of individuals to be invited." Mr. Goodman asserts that none of the invitation lists were "provided to [him] by, or with the cooperation of, any corporation."

The response of Mr. Goodman's employer, Larry's Food Products, substantiates the information contained in both the response and affidavit of Mr. Goodman. Thus, respondent Larry's Food Products, avers that the solicitation and return form were "written as a personal communication and so marked" by Chip Goodman, an officer of respondent, "using Respondent's stationery and in part mailed with Respondent's postage, without Respondent's authorization and for the de minimis costs of preparation of which Respondent has billed the McGovern Campaign Committee." 2/ The response of Larry's Food Products concludes that "the activities of Mr. Chip Goodman of which Complainant complains are his personally and represent no activity or contribution by or from Respondent."

The affidavits of Chip Goodman and Marshall Matz, a volunteer agent of the McGovern Campaign Committee, both state that all proceeds of the fundraiser were deposited in an account of the McGovern Campaign Committee and that

2/ The response of Larry's Food Products noted that the "[o]fficers of Respondent from time to time write personal letters on the stationery of Respondent, without Respondent's advance authorization."

all bills for expenses were forwarded to the McGovern Campaign Committee for payment. ^{3/} The McGovern Campaign Committee's response has substantiated this claim by stating that "Mr. Goodman did not use unreimbursed corporate facilities or materials in conducting his volunteer activity" and that the "costs of the stationery, including any postage used, was billed to the McGovern Campaign Committee for reimbursement in accordance with Part 114 of the FEC Regulations." Mr. Goodman's response concludes that the solicitation letter "was never intended to constitute an endorsement by Larry's Food Products, Inc., of the McGovern Fundraiser" and that in organizing the fundraiser he "acted as an agent for the McGovern Campaign Committee with the Committee's express approval and cooperation."

The statute, 2 U.S.C. § 441b(a), prohibits any corporation from making any contribution or expenditure in connection with any election to federal office. It further prohibits any person from accepting or receiving any contributions from corporations in connection with a federal election.

The term "contribution" is defined at 2 U.S.C. § 431(8) (A)(1) to include any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. Both 2 U.S.C. § 431(8)(B)(i) and 11 C.F.R. § 100.7(b) (3) exclude from the definition of "contribution" the value of services provided without compensation by an individual who volunteers on behalf of a candidate or political committee. Under 11 C.F.R. § 114.9(c) any person who uses the facilities of a corporation or labor organization to produce materials in connection with a federal election is required to reimburse the corporation or labor organization within a commercially reasonable time for the normal and usual charge for producing such materials in the commercial market.

^{3/} The October 15, 1980, quarterly report of the McGovern Campaign Committee reports \$398,538.46 in expenditures for the period July 1, 1980, through September 30, 1980. Of the \$398,538.46 in expenditures, the committee has itemized all but \$7,741.88. Counsel for the McGovern Campaign Committee has informed staff of the Office of General Counsel that certain expenditures relevant to this matter were not itemized on the October 15 report because they were not in excess of \$200. These expenditures are as follows: a \$150 expenditure to the Radisson Mulenbach Hotel in Kansas City, Missouri, for a cash bar, a \$69.66 expenditure to Larry's Food Products, Inc. for the cost of stationery, and a \$45 expenditure to Chip Goodman as reimbursement for the cost of postage. Counsel additionally stated that the Committee was billed for the above expenditures in August 1980 and payment was made on September 15, 1980.

The responses received indicate that Chip Goodman did in fact solicit contributions to the Child Nutrition Appreciation Reception as an agent of the McGovern Campaign Committee. There is no evidence that Larry's Food Products, Inc. directed Mr. Goodman to carry out this activity, and indeed Mr. Goodman seems to have conceived the idea jointly with an agent of the McGovern Committee. FEC regulations specifically authorize individual volunteers, such as Mr. Goodman, to use the facilities of a corporation to produce materials in connection with a federal election, provided that the corporation is reimbursed "within a commercially reasonable amount of time for the normal usual charge for producing such materials in the commercial market."

If the McGovern Campaign Committee had not reimbursed Larry's Food Products, Inc. for the cost of the solicitation, it is conceivable that the corporation could be held liable for a violation of 2 U.S.C. § 441b(a). As a corporate officer, Chip Goodman could commit Larry's Food Products to liability if he was carrying out an activity incidental to his official position or a course of conduct that Larry's Food Products, Inc. had approved of in the past. However, as the McGovern Campaign Committee, and not Larry's Food Products, Inc., seems to have incurred the cost of the solicitation, it is the General Counsel's view that there is no violation of the Act for which Larry's Food Products, Inc. could be held accountable.

Although the solicitation letter was written on the stationery of Larry's Food Products, Inc., the Commission implicitly recognized in AO 1978-77 that under analogous circumstances the identification of a corporate officer or corporation in a partisan communication or solicitation does not in and of itself constitute anything of value from the corporation. Thus, in the General Counsel's view, neither the appearance of the corporate logo of Larry's Food Products, Inc. on the solicitation letters of the McGovern Campaign Committee or the fact that Chip Goodman's signature is prefaced by his employer's name and followed by his business title constitutes a contribution by Larry's Food Products, Inc. to the McGovern campaign. In sum, since Chip Goodman appears to have acted as a volunteer agent of the McGovern Campaign Committee, and as Larry's Food Products did not incur the costs of the solicitation, the solicitation of contributions by Chip Goodman to the McGovern Campaign Committee appears to be a permissible activity under the Act.

B. Solicitation of Corporate Contributions

Complainant alleges that the solicitation of contributions here in question included the solicitation of corporate contributions in violation of the Act. While the solicitation letter stated that "a total of approximately twenty-five companies" were expected to be represented at the reception, the complainant has interpreted this to mean that the solicitation "apparently seeks contributions from members of a trade association which 'includes approximately twenty-five companies.'"

The response of Chip Goodman denies the allegation and states that "said invitation neither solicits, nor appears to solicit, corporate contributions," and that "[i]t is addressed to individuals, not corporations." Mr. Goodman's response notes the fact that the solicitation expressly states "Personal checks only. No corporate checks, please" and that the solicitation "was directed to individuals and PACs only." The McGovern Campaign Committee has included in their response additional solicitation material not provided by the complainant. This material consists of a card which lists the members of the Program Committee for the Child Nutrition Appreciation Reception. The card notes that each program member is identified by the company with which he is affiliated, but that the company name is "for identification [purposes] only."

The allegation that corporate contributions were being solicited does not state a violation of the Act in the General Counsel's view. If Larry's Food Products was soliciting contributions to its separate segregated fund, that solicitation would be limited by the solicitation restrictions of 2 U.S.C. § 441b(b)(4). ^{4/} However, as indicated above, it appears that the solicitation in question was not carried out on behalf of Larry's Food Products and that the contributions were to be made to the McGovern Campaign Committee. The allegation that the solicitation of contributions here involved was an in-kind contribution and a violation of 2 U.S.C. § 441b(a) has been previously discussed and is without merit in the General Counsel's view.

^{4/} Larry's Food Products, Inc., is not reported as the "connected organization" of any political committee registered with the Commission.

004022470

C. Failure to Register as a Political Committee

The complaint alleges that the Child Nutrition Appreciation Reception and the American School Food Service Association may have violated 2 U.S.C. §§ 433 and 434 because they have not registered as political committees with the Commission. The Executive Director of the American School Food Service Association ("ASFSA") filed an affidavit in response to the allegations in the complaint which states that the ASFSA did not solicit funds for the Child Nutrition Appreciation Reception, did not endorse any federal candidates, and did not "participate in the planning, organization or implementation of the Child Nutrition Appreciation Reception honoring Senator George McGovern."

The Child Nutrition Appreciation Reception was defined by Chip Goodman as "the name of an event, not of any entity." The affidavit of Marshall Matz asserts the the Child Nutrition Appreciation Reception was a "fanciful name decided upon for the ad hoc cocktail party" for Senator McGovern. The McGovern Committee's response concluded:

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There would have been no legal grounds whatsoever for registering the Reception as a separate political committee, ..., since the 'Reception' was the name given to a fund raising event organized by individual volunteer agents of the Committee with the Committee's express authorization. It was the McGovern Campaign Committee which made all arrangements through its agents for this fundraiser; which assumed full financial responsibility for the Reception, including the payment of all expenses; and which benefited from all proceeds.

The statute, 2 U.S.C. § 431(4)(A), defines "political committee" to mean any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year. Under 2 U.S.C. § 433 political committees must file a statement of organization within ten days after becoming a political committee, while 2 U.S.C. § 434 requires the treasurer of a political committee to file reports of receipts and disbursements.

The affidavit of Chip Goodman attests to the fact that he acted as an agent of the McGovern Campaign Committee while conducting the fundraising event entitled the Child Nutrition Appreciation Reception. Moreover, the McGovern Campaign Committee's response has stated that it assumed full financial responsibility for the reception and benefited from all the proceeds. In view of these facts, and the apparent fact that the ASFSA played no role in the Child Nutrition Appreciation Reception, the Child Nutrition Appreciation Reception and the ASFSA need not, in the General Counsel's view report to the Commission.

D. Notice on the Solicitation

The solicitation letters prepared by Chip Goodman were, according to the responses received, authorized and paid for by the McGovern Campaign Committee. Although the solicitation stated that the proceeds would benefit the McGovern Campaign Committee, it did not identify the person or individual who paid for the solicitation. The affidavit of Chip Goodman stated that he personally compiled the solicitation list and that solicitations were sent to company executives, among others, who were interested in the national school lunch program. The names of company executives "were culled from advertisements in school food service publications, from the general directory of exhibitors at the convention and from [Mr. Goodman's] own recollection of individuals interested in the national school lunch program." The list also included various political action committees, individuals associated with the various state school food service programs, including the "top 100" school food service directors in the major cities, and individuals known to Mr. Goodman to be interested in child nutrition legislation.

Pursuant to § 44ld(a) and 11 C.F.R. § 110.11(a)(1), whenever any person solicits any contribution through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public political advertising, such communication shall, if paid for and authorized by a candidate, an authorized political committee of a candidate, or its agents, clearly state that the communication has been paid for by such authorized political committee, or, if paid for by other persons but authorized by a candidate, an authorized political committee of a candidate, or its agents, clearly state that the communication is paid for by such other persons and authorized by such authorized political committee.

To understand the scope of § 44ld(a) it is necessary to examine the legislative history of the provision. The present language of § 44ld(a) is an amalgamation of former 2 U.S.C. §§ 435 and 44ld. Prior to the 1979 amendments to the Act, section 435 required a political committee to include on all literature and advertisements soliciting contributions a notice that a copy of its report was filed with and available from the Commission; section 44ld required persons who made expenditures for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public political advertising to state on the communication whether it was authorized by a candidate and the name of the person who financed the communication. In 1979 § 435 was eliminated from the Act. Then, Congress simply added the phrase "or solicits any contribution" to the existing language of § 44ld. While it does

not seem that Congress focused on the manner in which this change was drafted, it is clear that the qualifying phrase "through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public political advertising" modifies the added solicitation reference as well as the express advocacy communication reference.

The legislative history of the 1979 amendments to the Act indicates that Congress intended the § 441d notice requirement to be read broadly. The remarks of Congressman Thompson during the House debates express this intention:

The bill provides for one simple statement of authorization on all political solicitations and advertisements, replacing the two statements which are now used in separate situations (emphasis added).

125 Cong. Rec. H7627 (daily ed. September 10, 1979) (remarks of Congressman Thomsson).

Mr. Thompson's interpretation of the notice requirement is a reflection of the House Report which stated without qualification:

Under the bill, solicitations and political advertisements must include who paid for the solicitation or advertisement and whether or not it was authorized by a candidate (emphasis added).

H.R. Rep. No. 96-422, 96th Cong., 1st Sess. 25 (1979).

In light of the apparently broad scope intended for § 441d, it is the General Counsel's view that Mr. Goodman's solicitation would qualify as a "direct mailing" as used in the statute. ^{5/} Accordingly, the letters involved should have included a statement of who paid for and authorized them.

^{5/} Although the legislative history of the 1979 amendments and Commission Regulations address the term "direct mail" as used in 2 U.S.C. § 431(8)(x)(i), (xi), (xii) and (9)(viii), (ix), the discussions and resulting definition are readily distinguishable from the term "direct mailing" as used in § 441d. The term "direct mail" is defined exclusively in the context of certain activities conducted by state and local party committees which may be exempted from constituting either a contribution or expenditure regulated by the Act. Sections 100.7(16) and 100.8(16) of 11 C.F.R. define the term "direct mail" to mean any mailing by a commercial vendor or any mailing from commercial lists. It is inappropriate, in our view, to analogize the use of the term "direct mail" there with the use of the term "direct mailing" in § 441d. It was the intent (cont'd. next page)

The General Counsel recognizes that the intention of the McGovern Campaign Committee in conducting the solicitation was to comply with the Act. This intention is supported by the committee's inclusion of the notice required by former § 435 on the solicitation letters. Moreover, it is important to note that during the 1979 House debates, Congressman Thompson, in consideration of the changes in the § 44ld requirements caused by the 1979 amendments, remarked as follows:

Although the legislation requires a disclaimer for political advertising and solicitation, it is not our intention to require that this disclaimer appear on the front face or page of such material. However, the disclaimer must be presented in a manner to give the reader or observer adequate notice.

The Commission should interpret the new disclaimer requirements in a reasonable manner. There should be a period of transition whereby the disclaimer required under current law would suffice (emphasis added).

125 Cong. Rec. H12366 (daily ed. December 20, 1979) (remarks of Congressman Thompson).

In view of the McGovern Campaign Committee's intent to comply with the Act and Congressman Thompson's remarks, the General Counsel recommends that the Commission find reason to believe that the McGovern Campaign Committee violated 2 U.S.C. § 44ld(a) but take no further action in regard to this apparent violation.

5/ (cont'd.) of Congress in drafting the 1979 amendments that state and local party committees be able to engage in additional grassroots activity. To accomplish this end, Congress exempted several types of volunteer activity performed by state and local party organizations from the Act's restrictions. As the purpose of the amendments is to increase volunteer activity, only distributions by a commercial vendor do not fall within the purview of the exemption. Therefore, the narrow definition of direct mail as only those mailings made by a commercial vendor is consistent with the legislative purpose.

The application, however, of this narrow definition of "direct mail" to § 44ld(a) would result in the requirement that the § 44ld notice appear on only an extremely limited number of solicitations conducted by mail. Congress certainly did not have this confined interpretation of § 44ld in mind, as is evidenced by the 1979 legislative history. Moreover, there are strong policy reasons for reading the term "direct mailing" as used in § 44ld(a) much more broadly than the term which is used in regard to party expenditure standards.

RECOMMENDATIONS

1. Find no reason to believe that Larry's Food Products, Inc., or Chip Goodman violated 2 U.S.C. § 441b(a).
2. Find no reason to believe that the McGovern Campaign Committee violated 2 U.S.C. § 441b(a).
3. Find no reason to believe that the Child Nutrition Appreciation Reception and the American School Food Service Association violated 2 U.S.C. §§ 433 and 434.
4. Find reason to believe that the McGovern Campaign Committee violated 2 U.S.C. § 441d(a) but take no further action.
5. Send the attached letters.
6. Close the file.

Attachments:

1. Complaint
2. Response of Larry's Food Products
3. Response of Chip Goodman
4. Response of ASFSA
5. Response of McGovern Campaign Committee
6. Letters (4)

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ATTACHMENT #1

80040224401

Gcc #1994

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

United States of America

Before The

30 JUL 21 P 4: 54

FEDERAL ELECTION COMMISSION

ROBERT MOORE, EXECUTIVE DIRECTOR
NATIONAL REPUBLICAN SENATORIAL
COMMITTEE
227 Massachusetts Avenue, N.E.
Washington, D.C. 20001

Complainant,

v.

LARRY'S FOOD PRODUCTS, INC.
P.O. Box 2049
Gardena, CA 90247

and

CHIP GOODMAN
425 Marguerita
Santa Monica, CA 90402

and

CHILD NUTRITION APPRECIATION
RECEPTION
c/o Chip Goodman
425 Marguerita
Santa Monica, CA 90402

and

MCGOVERN CAMPAIGN COMMITTEE
P.O. Box 1980
Sioux Falls, SD 57102

Respondents.

Complaint
MUR *12/6/1*

COMPLAINT

Robert Moore, being duly sworn deposes and complains of the above Respondents as follows:

I. That attached hereto (as Exhibits A and B) is a copy of a letter and a copy of a return form received by a person who has been solicited for contribution and whose name will be disclosed to the Commission if necessary; such letter and return form and mailing envelope appear to be corporate contributions as prohibited by 2 U.S.C. 441b.

II. That the fund raising event referred to as the "Child Nutrition Appreciation Reception" is apparently an attempt

to raise funds for use by Senator George McGovern and/or his campaign committee.

III. That neither the "Child Nutrition Appreciation Reception" nor the "American School Food Service Association" is a registered political committee according to records of the Federal Election Commission.

IV. That said invitation apparently seeks contributions from members of a trade association which includes "approximately twenty-five companies" according to the letter invitation.

V. That such fund raising is improper and illegal under the Federal Election Campaign Finance Act and the regulations of the Federal Election Commission.

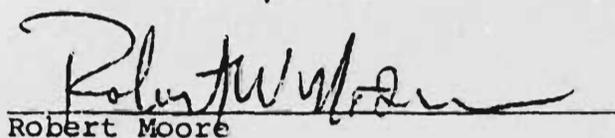
WHEREFORE, Complainant prays:

1. That this Commission find that this event is a willful and knowing violation of the Federal Election Campaign Act.

2. That this Commission prevent the transfer of funds directly or indirectly from such improper fund raising to the McGovern Campaign Committee.

3. That all corporations participating in this event be penalized in accordance with 2 U.S.C. 437g.

4. That the McGovern Campaign Committee refund any and all funds received from such improper fund raiser and if such funds were willfully and knowingly received that appropriate penalties be invoked.


Robert Moore

LARRY'S FOOD PRODUCTS, INC.

EXHIBIT A

CHIP GOODMAN
VICE PRESIDENT MARKETING

*Corporate
John Head*

PERSONAL

June 25, 1980



I hope you will be able to join me and other important leaders in the food service industry for a salute to Senator George McGovern on Tuesday, July 22, 1980 in Kansas City.

As you know, for years Senator McGovern has been one of the strongest advocates of a sound nutrition policy rooted in viable school food service programs. Our \$10 billion dollar school food service market has matured over the last ten years largely as a result of his commitment. Senator McGovern now faces a tough re-election fight...he needs our help.

The Child Nutrition Appreciation Reception will be held during the American School Food Service Association Conference at the Raddison-Muehlebach Hotel in Kansas City, from 5:30 p.m. to 9:30 p.m. We expect a total of approximately twenty-five companies to be represented. A select group of approximately 100 major city school food service directors, state directors, and state presidents who share our concern will also attend.

Please complete the attached Child Nutrition Appreciation Reception Co-Sponsor Information and return it to me, along with your check, as soon as possible. This affair will be an outstanding opportunity to stand up and be counted when it really counts!

Yours very truly,

LARRY'S FOOD PRODUCTS, INC.

Chip Goodman

Chip Goodman
Vice President, Marketing

CG/kc
Attachment



CHILD NUTRITION APPRECIATION RECEPTION
CO-SPONSOR INFORMATION

Yes, I will co-sponsor the Child Nutrition Appreciation Reception. Enclosed is my check for:

___\$250 ___\$500 ___\$1000

I cannot attend but enclosed is my contribution of:

\$ _____

Name Daytime Telephone No.

Address City/State/Zip

Occupation Firm Name

Business Address Business Telephone No.

Please make checks payable to the Child Nutrition Appreciation Reception and return to Chip Goodman, 425 Marguerita, Santa Monica, California 90402. Proceeds benefit the McGovern Campaign Committee. Personal checks only. No corporate checks, please.

A copy of the McGovern Campaign Committee report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C. 20463.

80040224400

ATTACHMENT #2

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W...
GCC#2325

BEFORE THE
FEDERAL ELECTION COMMISSION

ROBERT MOORE, EXECUTIVE DIRECTOR
NATIONAL REPUBLICAN SENATORIAL
COMMITTEE
227 Massachusetts Avenue, N.E.
Washington, D. C. 20001

Complainant

v.

LARRY'S FOOD PRODUCTS, INC.
Box 2049
Gardena, California 90247

and

CHIP GOODMAN
425 Marguerita
Santa Monica, California 90402

and

CHILD NUTRITION APPRECIATION RECEPTION
c/o Chip Goodman
425 Marguerita
Santa Monica, California 90402

and

McGOVERN CAMPAIGN COMMITTEE
Box 1980
Sioux Falls, South Dakota 57102

Respondents

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RECEIVED
COMMUNICATIONS

MUR #1261

8004022411

ANSWER OF LARRY'S FOOD PRODUCTS, INC.

Larry's Food Products, Inc. ("Respondent"), by
counsel, answers the Complaint filed herein by Mr. Robert
Moore, Executive Director, National Republican Senatorial

Committee, as follows.

I. Respondent admits that Exhibits A and B to the Complaint are a copy of a letter and a copy of a return form as alleged in ¶I, Complaint; denies that said letter and return form "appear to be corporate contributions"; and further denies that said letter and return form, or either of them, in fact are a corporate contribution.

Respondent avers that said Exhibits A and B are photocopies of a letter and of a return form written as a personal communication, and so marked, by Mr. Lawrence M. Goodman, III, commonly called Chip Goodman, an officer of Respondent, using Respondent's stationery and in part mailed with Respondent's postage, without Respondent's authorization, and for the de minimis costs of preparation of which Respondent has billed the McGovern Campaign Committee.

Officers of Respondent from time to time write personal letters on the stationery of Respondent, without Respondent's advance authorization. Exhibits A and B are consistent with that practice except that for federal election law purposes the de minimis cost of such letters is to be billed to the beneficiary, which was done in the instant case.

II. The allegations set forth in ¶II, Complaint, do not relate to Respondent.

III. The allegations set forth in ¶III, Complaint, do not relate to Respondent.

IV. The allegations set forth in ¶IV, Complaint, do not relate to Respondent.

V. Respondent avers that there is no such thing as "the Federal Election Campaign Finance Act"; the Federal Election Commission has no jurisdiction over alleged "improper" conduct; and in any event Respondent has violated no provision of law.

Respondent refers to the Answer herein of Mr. Chip Goodman; incorporates by reference herein the Affidavit of Mr. Chip Goodman filed therewith, specifically inviting the attention of the Federal Election Commission to ¶6 thereof, to the second sentence of ¶8 thereof, to ¶9 thereof and to ¶10 thereof.

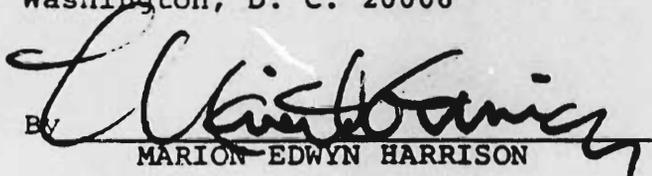
It is clear that the activities of Mr. Chip Goodman of which Complainant complains are his personally and represent no activity or contribution by or from Respondent.

8004022441

Prayer

WHEREFORE, premises considered, the Federal Election Commission forthwith should close the file with respect to Respondent Larry's Food Products, Inc., in MUR #1261.

BARNETT, ALAGIA & CAREY
Ninth Floor
1627 K Street, N.W.
Washington, D. C. 20006

BY 
MARION EDWYN HARRISON

August 14, 1980

80040224411

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AFFIDAVIT OF CHIP GOODMAN

I, Chip Goodman, being duly sworn, depose and state as follows:

1. I am the Vice President of Larry's Food Products, Inc., a company engaged in providing school food services.

2. In early 1980, I discussed with Marshall Matz, a long-time assistant to Senator George McGovern and currently an attorney in Washington, D.C., the possibility of holding a fund raiser for the Senator's re-election campaign. This fund raiser would be attended by individuals interested in the national school lunch program who supported Senator McGovern and his efforts in the area of child nutrition and hunger.

3. Following my conversations with Mr. Matz, I contacted various individuals to determine whether they would participate in the fund raiser as Program Committee members, who would qualify as such by making a \$1,000 contribution to the McGovern Campaign Committee. The response to my invitation was excellent.

4. Following these initial contacts, Marshall Matz and I together with various prospective members of our Program Committee, visited Senator McGovern, presented the outline for our proposed fund raiser, and sought his advice and approval. Senator McGovern gave us his permission to proceed with the arrangements for this fund raiser on behalf of his campaign committee.

5. With the assistance of Mr. Matz and other interested individuals, it was determined that the most favorable locale and time for a successful fund raiser would be Kansas City, Missouri, during the American School Food Service Association

Convention in July, 1980, the only national gathering of individuals interested in the national school lunch program. At this convention would be gathered many individuals interested in the national school lunch program who actively follow Senator McGovern's activities in the area of nutrition, and who support his re-election to the United States Senate. Accordingly, beginning in March and April, 1980, I acted as agent of the McGovern Campaign Committee in preparing invitations to a fund raiser in Kansas City on July 22.

6. I was exclusively responsible for compiling lists of names of individuals to be invited to the fund raiser. None of these lists was provided to me by, or with the cooperation of, any corporation. Invitations were directed to the following categories of invitees:

(a) Executives of companies interested in the national school lunch program. Their names were culled from advertisements in school food service publications, from the general directory of exhibitors at the convention, and from my own recollection of individuals interested in the national school lunch program over the years;

(b) Various political action committees (PACs);

(c) Individuals associated with the various state school food service programs, including the so-called "top 100" consisting of school food service directors in the major cities; and

(d) Individuals known to me to be interested in child nutrition legislation.

7. Following these invitations, I proceeded to assist the McGovern Campaign Committee with all necessary arrangements

for the fund raiser, with Mr. Matz acting in an advisory capacity. In making these arrangements, we were constantly mindful of the requirements of the Federal Election Campaign Act of 1971, as amended, and to this end, we consulted experienced counsel in the field in Washington, D. C.

8. All proceeds received from the fund raiser were deposited in an account of the McGovern Campaign Committee. All bills for expenses, such as the expense of printing invitations and of renting a room for the reception at the Radisson-Muehlebech Hotel in Kansas City, have been forwarded to the McGovern Campaign Committee for payment.

9. In his complaint, Robert Moore of the National Republican Senatorial Committee refers to, and attaches, a solicitation signed by me on Larry's Food Products, Inc. stationary. This letter was never intended to constitute an endorsement by Larry's Food Products, Inc. of the McGovern fund raiser. The letter was clearly marked "personal" and was directed to individuals and PACs only. Moreover, the McGovern Campaign Committee has been billed by, and will reimburse, Larry's Food Products, Inc. for each piece of stationary used, including postage. Finally, complainant Moore relies on the language of that letter, and specifically a reference to "25 companies to be represented" at the fund raiser, in alleging improper corporate involvement in this fund raiser. This language was by no means intended to suggest, nor should it be read to suggest, that food service or any other companies endorsed or otherwise supported this event.

10. The invitations prepared for this fund raising event stated clearly that no corporate checks would be

accepted, and in those few instances where corporate checks were received by the McGovern Campaign Committee, the checks were promptly returned.

11. At all times, in organizing this fund raiser, I acted as an individual agent for the McGovern Campaign Committee with that Committee's express approval and cooperation.

DATED: August 8, 1980

Chip Goodman
Lawrence M. ("Chip") Goodman, III

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

On this 8th day of August in the year 1980, before me, the undersigned, a Notary Public in and for said County and State, personally appeared CHIP GOODMAN, known to me to be the person whose name is subscribed to the within instrument, and acknowledge under oath that he executed the same.



Estella M. Brown
Notary Public

(Seal)

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ATTACHMENT #3

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Before the
FEDERAL ELECTION COMMISSION

ROBERT MOORE, EXECUTIVE DIRECTOR
NATIONAL REPUBLICAN SENATORIAL
COMMITTEE
227 Massachusetts Avenue, N.E.
Washington, D. C. 20001

Complainant

v.

LARRY'S FOOD PRODUCTS, INC.
Box 2049
Gardena, California 90247

and

CHIP GOODMAN
425 Marguerita
Santa Monica, California 90402

and

CHILD NUTRITION APPRECIATION RECEPTION
c/o Chip Goodman
425 Marguerita
Santa Monica, California 90402

and

McGOVERN CAMPAIGN COMMITTEE
Box 1980
Sioux Falls, South Dakota 57102

Respondents

30 AUG 14 P 2: 05

RECEIVED
GENERAL INVESTIGATIVE
DIVISION

MUR #1261

ANSWER OF MR. CHIP GOODMAN

Mr. Lawrence M. Goodman, III, commonly called Chip
Goodman, by counsel, answers the Complaint filed herein by
Mr. Robert Moore, Executive Director, National Republican
Senatorial Committee, as follows.

8(0 0 4 0 2 2 4 4 2 6)

I. Respondent admits that Exhibits A and B to the Complaint are a copy of a letter and a copy of a return form as alleged in ¶I, Complaint; denies that said letter and return form "appear to be corporate contributions"; and further denies that said letter and return form, or either of them, in fact are a corporate contribution.

Respondent avers that said Exhibits A and B are photocopies of a letter and of a return form written by Respondent as a personal communication, and specifically and personally marked "PERSONAL", using the stationery of Larry's Food Products, Inc., of which Respondent is an officer, and in part mailed with the postage of Larry's Food Products, Inc., without the authorization of Larry's Food Products, Inc., and for the de minimis costs of preparation of which Larry's Food Products, Inc., has billed the McGovern Campaign Committee.

From time to time Respondent writes personal letters on the stationery of Larry's Food Products, Inc., without advance authorization from Larry's Food Products, Inc. Exhibits A and B are consistent with that practice except that for federal election law purposes the de minimis cost of such letters is to be billed to the beneficiary, which was done in the instant case.

II. The allegations set forth in ¶II, Complaint, do not relate to Respondent.

In fact, there is no such entity as the "Child Nutrition Appreciation Reception". That name is the name of an event, not of an entity.

III. The allegations set forth in ¶III, Complaint, do not relate to Respondent.

IV. Respondent denies both the explicit allegation that "said invitation apparently seeks contributions [from corporations]" and the implicit allegation that said invitation actually seeks such contributions.

In fact, said invitation neither solicits, nor appears to solicit, corporate contributions. It is addressed to individuals, not corporations. Exhibit B specifically and pertinently states: "Personal checks only. No corporate checks, please." Further, Exhibit B requires the name, address, occupation and business address of the contributor - information incompatible with a corporate contribution inasmuch as people, not corporations, have occupations.

V. Respondent avers that there is no such thing as "the Federal Election Campaign Finance Act"; the Federal Election Commission has no jurisdiction over alleged "improper"

conduct; and in any event Respondent has violated no provision of law.

Respondent attaches, and incorporates herein by reference, his affidavit, which fully details the facts giving rise to the mailing of Exhibits A and B, including background which may be helpful to the Federal Election Commission.

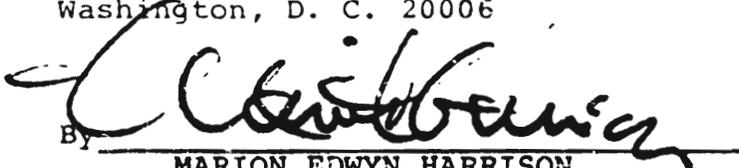
It is clear that Respondent's activities of which Complainant complains are the lawful activities of an individual citizen volunteering his services for a political campaign, acting as an unpaid agent of a campaign committee and soliciting named individuals, most of them well known to Respondent, who by virtue of their business are interested in a particular candidacy.

Prayer

WHEREFORE, premises considered, the Federal Election Commission forthwith should close the file with respect to Respondent Mr. Chip Goodman in MUR #1261.

BARNETT, ALAGIA & CAREY
Ninth Floor
1627 K Street, N.W.
Washington, D. C. 20006

By


MARION EDWYN HARRISON

August 14, 1980

80 0 4 0 2 2 4 4 2 5

AFFIDAVIT OF CHIP GOODMAN

I, Chip Goodman, being duly sworn, depose and state as follows:

1. I am the Vice President of Larry's Food Products, Inc., a company engaged in providing school food services.

2. In early 1980, I discussed with Marshall Matz, a long-time assistant to Senator George McGovern and currently an attorney in Washington, D.C., the possibility of holding a fund raiser for the Senator's re-election campaign. This fund raiser would be attended by individuals interested in the national school lunch program who supported Senator McGovern and his efforts in the area of child nutrition and hunger.

3. Following my conversations with Mr. Matz, I contacted various individuals to determine whether they would participate in the fund raiser as Program Committee members, who would qualify as such by making a \$1,000 contribution to the McGovern Campaign Committee. The response to my invitation was excellent.

4. Following these initial contacts, Marshall Matz and I together with various prospective members of our Program Committee, visited Senator McGovern, presented the outline for our proposed fund raiser, and sought his advice and approval. Senator McGovern gave us his permission to proceed with the arrangements for this fund raiser on behalf of his campaign committee.

5. With the assistance of Mr. Matz and other interested individuals, it was determined that the most favorable locale and time for a successful fund raiser would be Kansas City, Missouri, during the American School Food Service Association

Convention in July, 1980, the only national gathering of individuals interested in the national school lunch program. At this convention would be gathered many individuals interested in the national school lunch program who actively follow Senator McGovern's activities in the area of nutrition, and who support his re-election to the United States Senate. Accordingly, beginning in March and April, 1980, I acted as agent of the McGovern Campaign Committee in preparing invitations to a fund raiser in Kansas City on July 22.

6. I was exclusively responsible for compiling lists of names of individuals to be invited to the fund raiser. None of these lists was provided to me by, or with the cooperation of, any corporation. Invitations were directed to the following categories of invitees:

(a) Executives of companies interested in the national school lunch program. Their names were culled from advertisements in school food service publications, from the general directory of exhibitors at the convention, and from my own recollection of individuals interested in the national school lunch program over the years;

(b) Various political action committees (PACs);

(c) Individuals associated with the various state school food service programs, including the so-called "top 100" consisting of school food service directors in the major cities; and

(d) Individuals known to me to be interested in child nutrition legislation.

7. Following these invitations, I proceeded to assist the McGovern Campaign Committee with all necessary arrangements

for the fund raiser, with Mr. Matz acting in an advisory capacity. In making these arrangements, we were constantly mindful of the requirements of the Federal Election Campaign Act of 1971, as amended, and to this end, we consulted experienced counsel in the field in Washington, D. C.

8. All proceeds received from the fund raiser were deposited in an account of the McGovern Campaign Committee. All bills for expenses, such as the expense of printing invitations and of renting a room for the reception at the Radisson-Muehlebach Hotel in Kansas City, have been forwarded to the McGovern Campaign Committee for payment.

9. In his complaint, Robert Moore of the National Republican Senatorial Committee refers to, and attaches, a solicitation signed by me on Larry's Food Products, Inc. stationary. This letter was never intended to constitute an endorsement by Larry's Food Products, Inc. of the McGovern fund raiser. The letter was clearly marked "personal" and was directed to individuals and PACs only. Moreover, the McGovern Campaign Committee has been billed by, and will reimburse, Larry's Food Products, Inc. for each piece of stationary used, including postage. Finally, complainant Moore relies on the language of that letter, and specifically a reference to "25 companies to be represented" at the fund raiser, in alleging improper corporate involvement in this fund raiser. This language was by no means intended to suggest, nor should it be read to suggest, that food service or any other companies endorsed or otherwise supported this event.

10. The invitations prepared for this fund raising event stated clearly that no corporate checks would be

accepted, and in those few instances where corporate checks were received by the McGovern Campaign Committee, the checks were promptly returned.

11. At all times, in organizing this fund raiser, I acted as an individual agent for the McGovern Campaign Committee with that Committee's express approval and cooperation.

DATED: August 8, 1980

Chip Goodman
Lawrence M. ("Chip") Goodman, III

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

On this 8th day of August in the year 1980, before me, the undersigned, a Notary Public in and for said County and State, personally appeared CHIP GOODMAN, known to me to be the person whose name is subscribed to the within instrument, and acknowledge under oath that he executed the same.



Estella M. Brown
Notary Public

(Seal)

80040221428

ATTACHMENT #4

White

EXECUTIVE BOARD MEMBERS

President
MARY M. NIX
Director, School Food and Nutrition Program
Cobb County Board of Education
P.O. Box 1088
Marietta, Georgia 30061

President-elect
GERTRUDE APPELBAUM
Director, Department of Food Services
Corpus Christi Independent School District
2525 Balton Street
Corpus Christi, Texas 78416

Secretary
GLADYS WATHAN
Food Service Director
Cedar Rapids Community Schools
348 Second Avenue S.W.
Cedar Rapids, Iowa 52404

Treasurer
RAYMOND D. BARKSDALE
Supervisor, School Services
P.O. Box 1108
Columbus, Mississippi 39701

REGIONAL DIRECTORS

Southeast Region
BARBARA H. WATTS
Director, School Food Service
Columbia County
3103 Tribble Street
Lake City, Florida 32956

Midwest Region
DONNA DONOVAN
Food Service Director
Loup City Schools
R.R. 2, Box 10A
Loup City, Nebraska 68553

Midwest Region
MARTHA HILL
Regional Coordinator
Child Nutrition Programs
233 Riverside Drive
Madison, West Virginia 25130

West Region
PAULA MAHLETTA
Director, Food Service
Yuma School District #1
490 Sixth Street
Yuma, Arizona 85364

Northeast Region
THELMA BECKER
Director of Food Service
Souderton Area School District
138 Haneyville Pike
Souderton, Pennsylvania 18984

Northwest Region
DOROTHY FINCH
Food Service Director
Grandview School District
Box 10
Grandview, Washington 98930

Southwest Region
HELSER HALLIDAY
Executive Director
Houston Independent School District
2000 Lyons Avenue
Houston, Texas 77020

SECTION CHAIRMEN

Single Unit Personnel
LAURA ANSON
Cafeteria Manager-High School
Portland School District
501 North Dixon
Portland, Oregon 97227

College Personnel
DR. PENELOPE S. EASTON
Chairman and Professor
Dietetics and Nutrition
Florida International University
Miami, Florida 33199

Major City Directors and Supervisors
RUTH ROBERTSON
School Food Service Director
P.O. Box 28041
Raleigh, North Carolina 27611

District Directors and Supervisors
GAIL L. WEBSTER
Director, Food Services
Midwest City-Oak City Public Schools
P.O. Box 10830
Midwest City, Oklahoma 73140

State Directors and Supervisors
DANIEL WROTZKEY
Executive Director
Child Nutrition/Traffic Safety
Colorado State Department of Education
391 East Colfax Avenue
Denver, Colorado 80203

american school food service association

address reply to:

4101 East Iliff Ave.
Denver, Colo. 80222

August 8, 1980

901587

Charles N. Steele
General Council
Federal Election Commission
Washington, D.C. 20463

Re: MVR 1261

Dear Sir:

In response to your note of 7/24/80 (MVR 1261), I wish to inform you on behalf of the American School Food Service Association that the association had no involvement whatsoever in the fundraiser for Senator George McGovern.

A sworn statement by me to this effect has been provided to the McGovern Campaign Committee and will be attached to that committee's submission in this matter and constitutes the full response of this association.

Sincerely,

John D. Moseley
John D. Moseley, Ed.D.
Executive Director
JDM/pd

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headquarters: 4101 east iliff avenue, denver, colorado 80222
(800) 525-8575 or (303) 757-8555

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ATTACHMENT #5

Aug 15, 1980
LAW OFFICES
ROBERT F. BAUER
SUITE 406
1101 SEVENTEENTH STREET, N.W.
WASHINGTON, D.C. 20036

RECEIVED
80 AUG 15 10:10

(202) 296-0555

3511

August 15, 1980

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

RE: MUR 1261

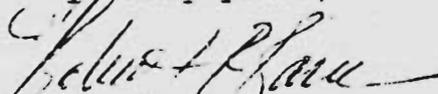
Dear Ms. White:

Enclosed is the response of the McGovern Campaign Committee to the Complaint filed in the above captioned matter.

Counsel for Mr. Chip Goodman and Larry's Food Products, Inc. has served the Committee with a copy of these parties' responses, including the Affidavit of Mr. Goodman. The Committee has made reference to this Goodman Affidavit in its own response.

If you have any questions, I'd be happy to answer them.

Very truly yours,


Robert F. Bauer

RFB:peg

Enclosures

30040024431

LAW OFFICES

ROBERT F. BAUER

SUITE 406

1101 SEVENTEENTH STREET, N.W.
WASHINGTON, D.C. 20036

(202) 296-0555

August 15, 1980

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

RE: MUR 1261

Dear Sir:

On July 24, 1980, you notified the McGovern Campaign Committee of a Complaint filed July 21 by Robert Moore, Executive Director of the National Republican Senatorial Committee. The Complaint named as respondents the Committee, Larry's Food Products, Inc., Mr. Chip Goodman and the "Child Nutrition Appreciation Reception". The allegations of Mr. Moore's complaint are framed in barely intelligible terms, including vague references to "improper fund raising" conducted by the Committee. To the degree that Mr. Moore's allegations are identifiable, however, they may be roughly stated as follows:

- 1) That Larry's Food Products, with the consent and participation of its Vice President Chip Goodman, solicited and made corporate contributions to the "Child Nutrition Appreciation Reception", a fund raising event held for the benefit of the Committee; and
- 2) That those individuals or groups involved in organizing this Reception constituted a separate political committee, apart from the Committee, and should have registered as such.

Neither of these allegations have any basis in law or fact, as this letter and supporting documentation will show. The file in this matter should, therefore, be promptly closed.

1. The Allegation that Corporate Contributions were Solicited for and Received by the Committee.

The first allegation addressed here, i.e., that corporate contributions were solicited for and received by the Committee, may be readily established as false. This allegation may be broken into two subparts: 1) an allegation that Larry's Food Products (LFP) made an in-kind contribution, with the consent of Mr. Goodman as Vice President, to the McGovern Committee, and 2) that

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on behalf of the McGovern Committee, LFP, with the consent of Mr. Goodman, solicited corporate members of a trade association, including "approximately twenty-five companies to be represented" at the Reception.

a. Contributions in-kind from Larry's Food Products

The "evidence" submitted by the Complainant on the first part of the allegation is a solicitation letter written on Larry's Food Products stationary by Chip Goodman, that company's Vice President for Marketing. That letter solicits attendance at the "Child Nutrition Appreciation Reception" honoring Senator McGovern, and also a contribution to the McGovern campaign. Contrary to the inference drawn by Complainant, this letter was not prepared by Mr. Goodman as Company Vice President but rather as an individual volunteer agent of the McGovern Committee. See affidavit of Mr. Chip Goodman, submitted as part of his response dated August 14, 1980, in which he affirms at p. 2 that "... I acted as agent of the McGovern Campaign Committee in preparing invitations to a fund raiser in Kansas City on July 22." In that affidavit, at p. 4, Mr. Goodman also states that "At all times, in organizing this fund raiser, I acted as an individual agent for the ... Committee ...". It was for that reason that the letter was clearly marked "personal"; Mr. Goodman, acting only as an individual volunteer for the Committee, did not want any misunderstanding of that role. See affidavit of Mr. Goodman, where he states at p. 3, that "this (solicitation) letter was never intended to constitute an endorsement by Larry's Food Products, Inc. of the McGovern fund raiser." Moreover, Mr. Goodman did not use unreimbursed corporate facilities or materials in conducting his volunteer activity. The costs of the stationary, including any postage used, was billed to the McGovern Campaign Committee for reimbursement in accordance with Part 114 of the FEC Regulations, and more specifically, with §114.9(c) of those Regulations. See affidavit of Mr. Goodman at p. 3.

These facts completely refute the allegations made by Complainant. A political committee, like the McGovern Committee, may without question lawfully designate an "agent" to assist it in fund raising activities. See e.g. Advisory Opinions 1979-6 and 1979-35, which refer to the designation of "agents" in the context of joint fund raising. Moreover, FEC Regulations specifically authorize individual volunteers, such as Mr. Goodman, to use "the facilities of a corporation ... to produce materials in connection with a Federal election", provided that the corporation is reimbursed "within a commercially reasonable time for the normal and usual charge for producing such materials in the commercial market." §114.9(c) In drawing upon his corporate stationary to produce solicitation materials for this fund raising, and in billing the Committee promptly for the normal charge for those materials, Mr. Goodman brought his activities well within the scope of these Regulations.

b. Solicitation of corporate "members" of a trade association.

Mr. Moore rests this allegation, i.e., that corporate contributions were solicited to the Reception by LFP and Mr. Goodman, on a tortured construction of Mr. Goodman's solicitation letter, and specifically, on language in that letter to the effect that "twenty-five companies (would) be represented" at the Reception. As Mr. Goodman has made clear in his affidavit, attached to his response filed August 14, no corporations were solicited by him acting as a volunteer agent for the Committee. That reception was organized entirely by individual volunteer agents of the McGovern Committee, and specifically under the leadership of Mr. Marshall Matz and Mr. Goodman. See attached affidavit of Mr. Marshall Matz (Exhibit #1), who affirms at p. 1 that he acted as "a volunteer with Chip Goodman and other volunteers" to organize the Reception on behalf of, and with the express authorization of, the McGovern Committee. Only individuals and political action committees were solicited. See affidavit of Mr. Goodman, p. 2. Indeed, Complainant, for obvious reasons of his own, omits the name of the addressee of the letter submitted as "evidence". If the Commission were to require disclosure of the identity of that addressee, it could verify that it was either an individual or a political action committee.

Two additional points should be made. First, the Committee attaches a card as Exhibit #2, which is part of the solicitation materials for the Reception, and which shows the members of the Program Committee for the Reception. While each of these individuals is identified by the company he is affiliated with, the card states specifically, in a notice at the bottom, that the "Company names are for identification only". The Committee's lawful intent, namely, to involve only individuals and not their companies in this solicitation, could not have been clearer. Second, as counsel for Chip Goodman states in his response dated August 14, the solicitation cards call for the name, address and occupation of the solicitee -- information which only individuals, and not corporations, must and are able to provide. This is also true in the case of the request for the solicitee's "home address", as distinguished from his "business address".

It could not be clearer that there were no solicitations of any companies for the Reception held on July 22, 1980 by the McGovern Committee.

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2. The Allegation that "Child Nutrition Appreciation Reception" is not a Registered Political Committee.

In paragraph 3 of his Complaint, Mr. Moore alleges that the "Child Nutrition Appreciation Reception" is not a registered political committee.* Mr. Moore is absolutely correct; the Reception is not a committee, but instead -- as he recognizes in paragraph 2 -- an "event" sponsored by the McGovern Campaign Committee. See also affidavit of Marshall Matz, where he states at p. 2 that the "Reception was a fanciful name decided upon for the ad hoc cocktail party ... for Senator McGovern." There would have been no legal grounds whatsoever for registering the Reception as a separate political committee, apart from the McGovern Campaign Committee, since the "Reception" was the name given to a fund raising event organized by individual volunteer agents of the Committee with the Committee's express authorization. It was the McGovern Campaign Committee which made all arrangements through its agents for this fund raiser; which assumed full financial responsibility for the Reception, including the payment of all expenses; and which benefited from all proceeds.

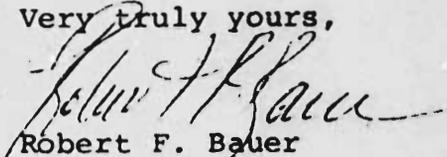
*Complainant also states that the American Food Service Association is not a registered committee. This assertion is gratuitous; the Association is certainly not a political committee, nor did it have anything whatsoever to do with the fund raising at issue in this matter. Complainant obviously knows that the Association is in no way involved, for it does not name the Association as a respondent or actually allege that it committed any unlawful acts. In order to keep the record clear on this point, however, the Committee requested that the Executive Director of the Association, Mr. John D. Moseley, provide an affidavit affirming that the Association had no involvement in this or any other fund raiser. Exhibit #3.

Mr. Charles Steele
August 15, 1980
Page 5

LAW OFFICES
ROBERT F. BAUER

It should be evident from the foregoing that none of the allegations made by Complainant are grounded in law or fact. For these reasons, the Complaint should be immediately dismissed, and the file in this matter promptly closed.

Very truly yours,



Robert F. Bauer

RFB:peg

Enclosures

60040224436

AFFIDAVIT OF MARSHALL MATZ

I, MARSHALL MATZ, being duly sworn, deposes and states as follows:

1. Since February 1, 1980, I have been associated with the law firm of Barnett, Alagia & Carey, Washington, D.C.
2. During the seven preceding years, January 1973 through January 1980, I was an employee of the United States Senate serving for five years in various legal capacities with the Senate Select Committee on Nutrition and Human Needs which was chaired by Senator George McGovern, and then for two years served as Special Counsel to the Senate Committee on Agriculture, Nutrition and Forestry. During these two years I was primarily associated with the work of the Subcommittee on Nutrition which was chaired by Senator George McGovern.
3. In February or March of this year as a volunteer I discussed with Chip Goodman and other volunteers interested in our nation's school meals programs the possibility of a fund raising cocktail party to assist Senator McGovern in his re-election campaign.
4. Following our initial conversations, a group of individuals, later to become the Program Committee, met with Senator McGovern to suggest the idea of a fundraiser.
5. With Senator McGovern's approval and permission plans were entered into for a fundraiser to be held in Kansas City, Missouri, in July of 1980. This time and place were chosen to coincide with the only national convention of those persons interested in the national school meals program. The participants in the fundraiser, Democrats and Republicans alike,

sought to recognize Senator McGovern's long recognized national leadership in the area of child nutrition.

6. During this time I was acting as a volunteer agent of the McGovern Committee.

7. Upon information and belief, all proceeds from the fundraiser were deposited in an account opened for the McGovern Campaign Committee and all bills and expenses for the event were forwarded to the McGovern Committee. The invitations sent out, which were paid for by the McGovern Committee, specifically said "No corporate checks, please".

8. The Child Nutrition Appreciation Reception was a fanciful name decided upon for the ad hoc cocktail party in an effort to attract those individuals who have followed Senator McGovern's efforts on behalf of child nutrition.

Further Affiant sayeth not.

Marshall Matz
MARSHALL MATZ

DISTRICT OF COLUMBIA
CITY OF WASHINGTON, ss:

Subscribed and sworn to before me this 24th day of August, 1980.

Pamela L. Vennerdrow
PAMELA L. VENERDROW
Notary Public, D.C.

My Commission expires April 14, 1984.

60040224470

EXHIBIT #2

CHILD NUTRITION APPRECIATION RECEPTION

PROGRAM COMMITTEE

- Bill Eiserloh, *W. A. Eiserloh Company*
- Abe Gellis, *New York Turkey Corporation*
- David G. Hehir, *M. Egan Company*
- Marshall Matz, *Barnett, Alagia & Carey*
- Robert L. Mays, Jr., *Standard Food Service*
- Leavitt V. McBride, *Great American Basic Commodities*
- Alan J. Pakstis, *Idle Wild Farm*
- Neil Robinson, *Butcher Boy Food Products*
- Jerome B. Rounds, *Advantage Food Marketing*
- Louis Sabatasso, *Sabatasso Pizza*
- Chip Goodman, *Larry's Food Products*

CHAIRMAN

(Company names are for identification only)



AMERICAN SCHOOL FOOD SERVICE ASSOCIATION'S
RESPONSE TO THE
FEDERAL ELECTION COMMISSION MUR-1261

ROBERT MOORE, EXECUTIVE DIRECTOR
NATIONAL REPUBLICAN SENATORIAL
COMMITTEE
227 Massachusetts Avenue, N.E.
Washington, D.C. 20001

Complainant,

v.

LARRY'S FOOD PRODUCTS, INC.
P. O. Box 2049
Gardena, CA 90247

and

CHIP GOODMAN
425 Marguerita
Santa Monica, CA 90402

AFFIDAVIT RE:
MUR-1261

and

CHILD NUTRITION APPRECIATION
RECEPTION
c/o Chip Goodman
425 Marguerita
Santa Monica, CA 90402

and

MCGOVERN CAMPAIGN COMMITTEE
P. O. Box 1980
Sioux Falls, SD 57102

Respondents.

AFFIDAVIT

I, John D. Moseley, being duly sworn, deposes and states the following:

1. I am the Executive Director of the American School Food Service Association, headquartered at 4101 East Iliff Avenue, Denver, Colorado 80222.
2. The American School Food Service Association does not involve itself in political campaigns.
3. The American School Food Service Association did not solicit funds for the Child Nutrition Appreciation Reception for Senator McGovern.
4. The American School Food Service Association did not endorse any political candidate.

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AFFIDAVIT

5. The American School Food Service Association did not participate in the planning, organization, or implementation of the Child Nutrition Appreciation Reception honoring Senator George McGovern.

6. The American School Food Service Association did not solicit funds for any campaign purposes.

Further affiant sayeth not.

John D. Moseley

JOHN D. MOSELEY, ED. D.
EXECUTIVE DIRECTOR
AMERICAN SCHOOL FOOD SERVICE ASSOCIATION

STATE OF COLORADO

COUNTY OF DENVER

Subscribed and sworn to before me this First day of August, 1980.

Barbara E Ray

NOTARY PUBLIC

My Commission Expires 16 August 1983

PROPOSED LETTERS TO RESPONDENTS

00040224442



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert Bauer
Suite 406
1101 Seventeenth Street, N.W.
Washington, D.C. 20036

Re: MUR 1261

Dear Mr. Bauer:

On July 24, 1980, the Commission notified you of a complaint alleging that your client, the McGovern Campaign Committee, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On , 1980, the Commission determined, on the basis of the information in the complaint and information provided by you, that there is no reason to believe that the McGovern Campaign Committee violated 2 U.S.C. § 441b(a), but that there is reason to believe that your client violated 2 U.S.C. § 441d(a). However, after considering the circumstances of this matter, the Commission has determined to take no further action and close the file in this matter. This matter 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 ten days.

The Commission reminds you that the omission on a solicitation of a notice identifying the person or individual who incurred the cost of the solicitation, and authorized the solicitation, is nevertheless a violation of 2 U.S.C. § 441d(a). Your client should take immediate steps to insure that this activity does not occur in the future.

00010221443

Letter to: Robert Bauer
Page 2

If you have any questions please contact Maura White,
the staff member assigned to this matter, at 202/523-4060.

Sincerely,

Charles N. Steele
General Counsel

80040224441



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John D. Moseley, Executive Director
American School Food Service Association
4101 E. Iliff Avenue
Denver, Colorado 80222

Re: MUR 1261

Dear Mr. Moseley:

On July 24, 1980, the Commission notified you of a complaint alleging that the American School Food Service Association may have violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on _____, 1980, determined, on the basis of the information in the complaint and information provided by you, that there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission has closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Marion Edwyn Harrison
Barnett, Alagia and Carey
Ninth Floor
1627 K Street, N.W.
Washington, D.C. 20006

Re: MUR 1261

Dear Mr. Harrison:

On July 24, 1980, the Commission notified you of a complaint alleging that your clients, Larry's Food Products Inc., Chip Goodman, and the Child Nutrition Appreciation Reception, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on _____, 1980, determined, on the basis of the information in the complaint and information provided by your clients, that there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission has closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel

8004024445



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert Moore, Executive Director
National Republican Senatorial Committee
227 Massachusetts Avenue, N.W.
Washington, D.C. 20001

Re: MUR 1261

Dear Mr. Moore:

80040024447

The Federal Election Commission has reviewed the allegations of your complaint dated July 21, 1980, and determined, on the basis of the information provided in your complaint and information provided by the Respondents, that there is no reason to believe Chip Goodman, Larry's Food Products, Inc., the Child Nutrition Appreciation Reception, or the American School Food Service Association violated any section of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Commission further determined that there is no reason to believe the McGovern Campaign Committee violated section 441b(a) of the Act, but that there is reason to believe the McGovern Campaign Committee violated section 441d(a) of the Act. However, after considering the circumstances of the matter, the Commission determined to take no further action and close the file.

Should additional information come to your attention which you believe establishes a violation of the Act, please contact Maura White, the staff member assigned to this matter at 202/523-4060.

Sincerely,

Charles N. Steele
General Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Larry's Food Products, Inc.)
McGovern Campaign Committee) MUR 1261
Chip Goodman)
American School Food Service Assoc.)
Child Nutrition Appreciation)
Reception)

CERTIFICATION

I, Marjorie W. Emons, recording secretary for the Federal Election Commission's executive session on September 23, 1980, do hereby certify that the Commission decided by a vote of 4-2 to take the following actions in MUR 1261:

1. Defer Commission action on this matter until after the October 15, 1980 filing of reports.
2. Direct the Office of General Counsel to redraft the report in this matter to include a 2 U.S.C. §441d violation, if appropriate.

Commissioners Aikens, McGarry, Reiche, and Tiernan voted affirmatively for the decision; Commissioners Friedersdorf and Harris dissented.

Attest:

9/24/80

Date

Marjorie W. Emons

Marjorie W. Emons
Secretary to the Commission

0040024443



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE *MWE*
FROM: MARJORIE W. EMMONS. MARGARET CHANEY *mc*
DATE: SEPTEMBER 19, 1980
SUBJECT: ADDITIONAL OBJECTION TO MUR 1261

You were notified on September 17, 1980 of objections by Commissioners Harris and Reiche to the First General Counsel's Report dated September 16, 1980.

An additional objection was received at 2:56, this date, from Commissioner Aikens.

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FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/MARGARET CHANEY

DATE: SEPTEMBER 18, 1980

SUBJECT: ADDITIONAL
OBJECTION - MUR 1261 - First General Counsel's
Report dated 9-16-80; Received in OCS
9-16-80, 2:51

The above-named document was circulated on a 48
hour vote basis at 11:00, September 17, 1980.

Commissioner Reiche submitted an objection at 3:34,
September 17, 1980.

This matter will be placed on the Executive Session
Agenda for Tuesday, September 23, 1980.

mute

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FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO: CHARLES STEELE

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

DATE: SEPTEMBER 17, 1980

SUBJECT: OBJECTION - MUR 1261 - First General Counsel's
Report dated 9-16-80; Received in OCS 9-16-80,
2:51

The above-named document was circulated on a 48
hour vote basis at 11:00, September 17, 1980.

Commissioner Harris submitted an objection at 11:52,
September 17, 1980.

This matter will be placed on the Executive Session
Agenda for Tuesday, September 23, 1980.

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September 16, 1980

MEMORANDUM TO: Marjorie V. SWANEY.....
FROM: Elissa T. GASK.....
SUBJECT: MUR 1261.....

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

8004032445

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

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION 9-16-80

MUR # 1261
DATE COMPLAINT RECEIVED
BY OGC July 21, 1980

STAFF MEMBER M. White

COMPLAINANT'S NAME: Robert Moore

RESPONDENT'S NAME: Larry's Food Products, Inc.; McGovern Campaign Comm.
Chip Goodman; American School Food Service Assoc.
Child Nutrition Appreciation Reception

RELEVANT STATUTE: 2 U.S.C. § 441b
2 U.S.C. §§ 433 and 434

INTERNAL REPORTS CHECKED: Committee reports

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

On July 21, 1980, Robert Moore, Executive Director of the National Republican Senatorial Committee, filed a complaint with the Federal Election Commission against Larry's Food Products, Inc., Chip Goodman, the Child Nutrition Appreciation Reception, the McGovern Campaign Committee, and the American School Food Service Association (Attachment 1). The complaint first alleges that the solicitation of contributions for the McGovern Campaign Committee by Larry's Food Products, Inc., through a fund-raising event referred to as the "Child Nutrition Appreciation Reception," constitutes a corporate contribution by the solicitor in violation of 2 U.S.C. § 441b(a). The complaint further alleges that the solicitation by Larry's Food Products seeks contributions from members of a trade association which includes "approximately twenty-five companies" in violation of 2 U.S.C. § 441b. It also alleges that the receipt of corporate contributions by the McGovern Campaign Committee is

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OFFICE OF THE
COMMISSIONER OF THE
FEDERAL ELECTION COMMISSION

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a violation of 2 U.S.C. § 441b and that the failure of the Child Nutrition Appreciation Reception and the American School Food Service Association to register as political committees is a violation of 2 U.S.C. §§ 433 and 434.

On July 24, 1980, notification letters were mailed to the five respondents in this matter. The responses of Larry's Food Products, Inc., and Chip Goodman were received on August 14, 1980 (Attachments 2 and 3); the responses of the American School Food Service Association and the McGovern Campaign Committee were received on August 11, 1980, and August 15, 1980, respectively (Attachments 4 and 5).

FACTUAL AND LEGAL ANALYSIS

A. In-Kind Corporate Contributions

The complaint filed in this matter included, as a supporting exhibit, a copy of the solicitation letter and return form which is the subject matter of the complaint. The letter was written on June 25, 1980, by Chip Goodman, Vice President of Larry's Food Products, Inc., on the stationery of Larry's Food Products, Inc. The solicitation letter is marked "PERSONAL," and the return form informs recipients that contribution checks should be made payable to the Child Nutrition Appreciation Reception and returned to Chip Goodman. The solicitation letter further states that the Child Nutrition Appreciation Reception was to be held on July 22, 1980, during the American School Food Service Conference and that it was being conducted for the purpose of raising funds for the reelection effort of Senator George McGovern. The solicitation and return form expressly states that the proceeds of the event benefit the McGovern Campaign Committee and that only personal checks, not corporate checks, may be accepted. ^{1/} The identity of the recipient of the specific solicitation letter supplied by the complainant was not disclosed by the complainant.

The responses of Larry's Food Products and Chip Goodman deny that the solicitation and return form referred to in the complaint constitute in-kind corporate contri-

^{1/} The solicitation letter also states that a copy of the McGovern Campaign Committee report is filed with, and available from, the Federal Election Commission.

all bills for expenses were forwarded to the McGovern Campaign Committee for payment. The McGovern Campaign Committee's response has substantiated this claim by stating that "Mr. Goodman did not use unreimbursed corporate facilities or materials in conducting his volunteer activity" and that the "costs of the stationery, including any postage used, was billed to the McGovern Campaign Committee for reimbursement in accordance with Part 114 of the FEC Regulations." Mr. Goodman's response concludes that the solicitation letter "was never intended to constitute an endorsement by Larry's Food Products, Inc., of the McGovern Fundraiser" and that in organizing the fundraiser he "acted as an agent for the McGovern Campaign Committee with the Committee's express approval and cooperation."

The statute, 2 U.S.C. § 441b(a), prohibits any corporation from making any contribution or expenditure in connection with any election to federal office. It further prohibits any person from accepting or receiving any contributions from corporations in connection with a federal election.

The term "contribution" is defined at 2 U.S.C. § 431(8) (A)(1) to include any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. Both 2 U.S.C. § 431(8)(B)(i) and 11 C.F.R. § 100.7(b) (3) exclude from the definition of "contribution" the value of services provided without compensation by an individual who volunteers on behalf of a candidate or political committee. Under 11 C.F.R. § 114.9(c) any person who uses the facilities of a corporation or labor organization to produce materials in connection with a federal election is required to reimburse the corporation or labor organization within a commercially reasonable time for the normal and usual charge for producing such materials in the commercial market.

The responses received indicate that Chip Goodman did in fact solicit contributions to the Child Nutrition Appreciation Reception as an agent of the McGovern Campaign Committee. There is no dispute that the proceeds of the Child Nutrition Appreciation Reception were used to benefit the McGovern Campaign Committee, and this is supported by the solicitation material supplied by the complainant. It is the General Counsel's view that a political committee may lawfully designate an "agent" to assist it in fundraising activities. FEC regulations specifically authorize individual volunteers, such as Mr. Goodman, to use the facilities of a corporation to produce materials in connection with a federal election, provided that the corporation is reimbursed "within a commercially reasonable amount of time for the normal usual charge for

producing such materials on the commercial market." As Chip Goodman acted as a volunteer agent of the McGovern Campaign Committee, and as Larry's Food Products did not authorize the solicitation nor incur its costs, the solicitation of contributions by Chip Goodman to the McGovern Campaign Committee appears to be a permissible activity under the Act.

B. Solicitation of Corporate Contributions

Complainant alleges that the solicitation of contributions here in question included the solicitation of corporate contributions in violation of the Act. While the solicitation letter stated that "a total of approximately twenty-five companies" were expected to be represented at the reception, the complainant has interpreted this to mean that the solicitation "apparently seeks contributions from members of a trade association which includes 'approximately twenty-five companies.'"

The response of Chip Goodman denies the allegation and states that "said invitation neither solicits, nor appears to solicit, corporate contributions," and that "[i]t is addressed to individuals, not corporations." Mr. Goodman's response notes the fact that the solicitation expressly states "Personal checks only. No corporate checks, please" and that the solicitation "was directed to individuals and PACs only." The McGovern Campaign Committee has included in their response additional solicitation material not provided by the complainant. This material consists of a card which lists the members of the Program Committee for the Child Nutrition Appreciation Reception. The card notes that each program member is identified by the company with which he is affiliated, but that the company name is "for indentification [purposes] only."

The allegation that corporate contributions were being solicited does not state a violation of the Act in the General Counsel's view. If Larry's Food Products was soliciting contributions to its separate segregated fund, that solicitation would be limited by the solicitation restrictions of 2 U.S.C. § 441b(b)(4). ^{3/} However, as

^{3/} Larry's Food Products Inc., is not reported as the "connected organization" of any political committee registered with the Commission.

80040024457

indicated above, it appears that the solicitation in question was not carried out on behalf of Larry's Food Products and that the contributions were to be made to the McGovern Campaign Committee. The allegation that the solicitation of contributions here involved was an in-kind contribution and a violation of 2 U.S.C. § 441b(a) has been previously discussed and is without merit in the General Counsel's view.

C. Failure to Register as a Political Committee

80040024450
Lastly, the complaint alleges that the Child Nutrition Appreciation Reception and the American School Food Service Association may have violated 2 U.S.C. §§ 433 and 434 because they have not registered as political committees with the Commission. The Executive Director of the American School Food Service Association ("ASFSA") filed an affidavit in response to the allegations in the complaint which states that the ASFSA did not solicit funds for the Child Nutrition Appreciation Reception, did not endorse any federal candidates, and did not "participate in the planning, organization or implementation of the Child Nutrition Appreciation Reception honoring Senator George McGovern."

The Child Nutrition Appreciation Reception was defined by Chip Goodman as "the name of an event, not of any entity." The affidavit of Marshall Matz asserts the the Child Nutrition Appreciation Reception was a "fanciful name decided upon for the ad hoc cocktail party" for Senator McGovern. The McGovern Committee's response concluded:

There would have been no legal grounds whatsoever for registering the Reception as a separate political committee, ..., since the 'Reception' was the name given to a fund raising event organized by individual volunteer agents of the Committee with the Committee's express authorization. It was the McGovern Campaign Committee which made all arrangements through its agents for this fundraiser; which assumed full financial responsibility for the Reception, including the payment of all expenses; and which benefited from all proceeds.

The statute, 2 U.S.C. § 431(4)(A), defines "political committee" to mean any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year. Under 2 U.S.C. § 433 political committees must file a statement of organization within ten days after becoming a political committee, while 2 U.S.C. § 434 requires the treasurer of a political committee to file reports of receipts and disbursements.

The affidavit of Chip Goodman attests to the fact that he acted as an agent of the McGovern Campaign Committee while conducting the fundraising event entitled the Child Nutrition Appreciation Reception. Moreover, the McGovern Campaign Committee's response has stated that it assumed full financial responsibility for the reception and benefited from all the proceeds. In view of these facts, and the apparent fact that the ASFSA played no role in the Child Nutrition Appreciation Reception, the Child Nutrition Appreciation Reception and the ASFSA need not, in the General Counsel's view, report to the Commission.

RECOMMENDATIONS

1. Find no reason to believe that Larry's Food Products, Inc., or Chip Goodman violated 2 U.S.C. § 441b(a).
2. Find no reason to believe that the McGovern Campaign Committee violated 2 U.S.C. § 441b(a).
3. Find no reason to believe that the Child Nutrition Appreciation Reception and the American School Food Service Association violated 2 U.S.C. §§ 433 and 434.
4. Send the attached letters.
5. Close the file.

Attachments:

1. Attachments 1-5
2. Letters (4)

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ATTACHMENT 1

00040221460

Gcc #1994

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

United States of America

Before The

30 JUL 21 P 4: 54

FEDERAL ELECTION COMMISSION

ROBERT MOORE, EXECUTIVE DIRECTOR
NATIONAL REPUBLICAN SENATORIAL
COMMITTEE
227 Massachusetts Avenue, N.E.
Washington, D.C. 20001

• Complainant,

v.

LARRY'S FOOD PRODUCTS, INC.
P.O. Box 2049
Gardena, CA 90247

and

CHIP GOODMAN
425 Marguerita
Santa Monica, CA 90402

and

CHILD NUTRITION APPRECIATION
RECEPTION
c/o Chip Goodman
425 Marguerita
Santa Monica, CA 90402

and

MCGOVERN CAMPAIGN COMMITTEE
P.O. Box 1980
Sioux Falls, SD 57102

Respondents.

Complaint
MUR *12/21*

COMPLAINT

Robert Moore, being duly sworn deposes and complains of the above Respondents as follows:

I. That attached hereto (as Exhibits A and B) is a copy of a letter and a copy of a return form received by a person who has been solicited for contribution and whose name will be disclosed to the Commission if necessary; such letter and return form and mailing envelope appear to be corporate contributions as prohibited by 2 U.S.C. 441b.

II. That the fund raising event referred to as the "Child Nutrition Appreciation Reception" is apparently an attempt

to raise funds for use by Senator George McGovern and/or his campaign committee.

III. That neither the "Child Nutrition Appreciation Reception" nor the "American School Food Service Association" is a registered political committee according to records of the Federal Election Commission.

IV. That said invitation apparently seeks contributions from members of a trade association which includes "approximately twenty-five companies" according to the letter invitation.

V. That such fund raising is improper and illegal under the Federal Election Campaign Finance Act and the regulations of the Federal Election Commission.

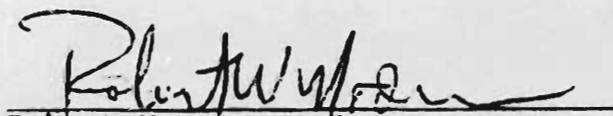
WHEREFORE, Complainant prays:

1. That this Commission find that this event is a willful and knowing violation of the Federal Election Campaign Act.

2. That this Commission prevent the transfer of funds directly or indirectly from such improper fund raising to the McGovern Campaign Committee.

3. That all corporations participating in this event be penalized in accordance with 2 U.S.C. 437g.

4. That the McGovern Campaign Committee refund any and all funds received from such improper fund raiser and if such funds were willfully and knowingly received that appropriate penalties be invoked.


Robert Moore

LARRY'S FOOD PRODUCTS, INC.

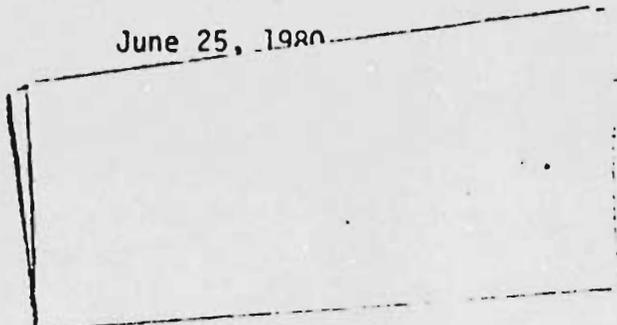
CHIP GOODMAN
VICE PRESIDENT MARKETING

EXHIBIT A

Chip Goodman
John Heald

PERSONAL

June 25, 1980



I hope you will be able to join me and other important leaders in the food service industry for a salute to Senator George McGovern on Tuesday, July 22, 1980 in Kansas City.

As you know, for years Senator McGovern has been one of the strongest advocates of a sound nutrition policy rooted in viable school food service programs. Our \$10 billion dollar school food service market has matured over the last ten years largely as a result of his commitment. Senator McGovern now faces a tough re-election fight...he needs our help.

The Child Nutrition Appreciation Reception will be held during the American School Food Service Association Conference at the Raddison-Muehlebach Hotel in Kansas City, from 5:30 p.m. to 9:30 p.m. We expect a total of approximately twenty-five companies to be represented. A select group of approximately 100 major city school food service directors, state directors, and state presidents who share our concern will also attend.

Please complete the attached Child Nutrition Appreciation Reception Co-Sponsor Information and return it to me, along with your check, as soon as possible. This affair will be an outstanding opportunity to stand up and be counted when it really counts!

Yours very truly,

LARRY'S FOOD PRODUCTS, INC.

Chip Goodman
Vice President, Marketing

CG/kc
Attachment



CHILD NUTRITION APPRECIATION RECEPTION
CO-SPONSOR INFORMATION

Yes, I will co-sponsor the Child Nutrition Appreciation Reception. Enclosed is my check for:

___\$250 ___\$500 ___\$1000

I cannot attend but enclosed is my contribution of:

\$ _____

Name Daytime Telephone No.

Address City/State/Zip

Occupation Firm Name

Business Address Business Telephone No.

Please make checks payable to the Child Nutrition Appreciation Reception and return to Chip Goodman, 425 Marguerita, Santa Monica, California 90402. Proceeds benefit the McGovern Campaign Committee. Personal checks only. No corporate checks, please.

A copy of the McGovern Campaign Committee report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C. 20463.

00040224465

60040221465

ATTACHMENT 2

White

GCC#2323

BEFORE THE
FEDERAL ELECTION COMMISSION

ROBERT MOORE, EXECUTIVE DIRECTOR
NATIONAL REPUBLICAN SENATORIAL
COMMITTEE
227 Massachusetts Avenue, N.E.
Washington, D. C. 20001

Complainant

v.

LARRY'S FOOD PRODUCTS, INC.
Box 2049
Gardena, California 90247

and

CHIP GOODMAN
425 Marguerita
Santa Monica, California 90402

and

CHILD NUTRITION APPRECIATION RECEPTION
c/o Chip Goodman
425 Marguerita
Santa Monica, California 90402

and

McGOVERN CAMPAIGN COMMITTEE
Box 1980
Sioux Falls, South Dakota 57102

Respondents

00 AUG 14 P 2: 01

GENERAL INVESTIGATIVE
DIVISION

MUR #1261

80040224467

ANSWER OF LARRY'S FOOD PRODUCTS, INC.

Larry's Food Products, Inc. ("Respondent"), by
counsel, answers the Complaint filed herein by Mr. Robert
Moore, Executive Director, National Republican Senatorial

Committee, as follows.

I. Respondent admits that Exhibits A and B to the Complaint are a copy of a letter and a copy of a return form as alleged in ¶I, Complaint; denies that said letter and return form "appear to be corporate contributions"; and further denies that said letter and return form, or either of them, in fact are a corporate contribution.

Respondent avers that said Exhibits A and B are photocopies of a letter and of a return form written as a personal communication, and so marked, by Mr. Lawrence M. Goodman, III, commonly called Chip Goodman, an officer of Respondent, using Respondent's stationery and in part mailed with Respondent's postage, without Respondent's authorization, and for the de minimis costs of preparation of which Respondent has billed the McGovern Campaign Committee.

Officers of Respondent from time to time write personal letters on the stationery of Respondent, without Respondent's advance authorization. Exhibits A and B are consistent with that practice except that for federal election law purposes the de minimis cost of such letters is to be billed to the beneficiary, which was done in the instant case.

00040224468

II. The allegations set forth in ¶II, Complaint, do not relate to Respondent.

III. The allegations set forth in ¶III, Complaint, do not relate to Respondent.

IV. The allegations set forth in ¶IV, Complaint, do not relate to Respondent.

V. Respondent avers that there is no such thing as "the Federal Election Campaign Finance Act"; the Federal Election Commission has no jurisdiction over alleged "improper" conduct; and in any event Respondent has violated no provision of law.

Respondent refers to the Answer herein of Mr. Chip Goodman; incorporates by reference herein the Affidavit of Mr. Chip Goodman filed therewith, specifically inviting the attention of the Federal Election Commission to ¶6 thereof, to the second sentence of ¶8 thereof, to ¶9 thereof and to ¶10 thereof.

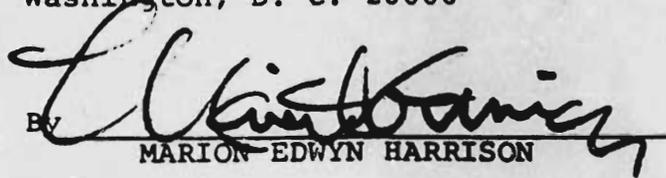
It is clear that the activities of Mr. Chip Goodman of which Complainant complains are his personally and represent no activity or contribution by or from Respondent.

00040224460

Prayer

WHEREFORE, premises considered, the Federal Election Commission forthwith should close the file with respect to Respondent Larry's Food Products, Inc., in MUR #1261.

BARNETT, ALAGIA & CAREY
Ninth Floor
1627 K Street, N.W.
Washington, D. C. 20006

By 
MARION EDWYN HARRISON

August 14, 1980

00040024470

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AFFIDAVIT OF CHIP GOODMAN

I, Chip Goodman, being duly sworn, depose and state as follows:

1. I am the Vice President of Larry's Food Products, Inc., a company engaged in providing school food services.

2. In early 1980, I discussed with Marshall Matz, a long-time assistant to Senator George McGovern and currently an attorney in Washington, D.C., the possibility of holding a fund raiser for the Senator's re-election campaign. This fund raiser would be attended by individuals interested in the national school lunch program who supported Senator McGovern and his efforts in the area of child nutrition and hunger.

3. Following my conversations with Mr. Matz, I contacted various individuals to determine whether they would participate in the fund raiser as Program Committee members, who would qualify as such by making a \$1,000 contribution to the McGovern Campaign Committee. The response to my invitation was excellent.

4. Following these initial contacts, Marshall Matz and I together with various prospective members of our Program Committee, visited Senator McGovern, presented the outline for our proposed fund raiser, and sought his advice and approval. Senator McGovern gave us his permission to proceed with the arrangements for this fund raiser on behalf of his campaign committee.

5. With the assistance of Mr. Matz and other interested individuals, it was determined that the most favorable locale and time for a successful fund raiser would be Kansas City, Missouri, during the American School Food Service Association

Convention in July, 1980, the only national gathering of individuals interested in the national school lunch program. At this convention would be gathered many individuals interested in the national school lunch program who actively follow Senator McGovern's activities in the area of nutrition, and who support his re-election to the United States Senate. Accordingly, beginning in March and April, 1980, I acted as agent of the McGovern Campaign Committee in preparing invitations to a fund raiser in Kansas City on July 22.

6. I was exclusively responsible for compiling lists of names of individuals to be invited to the fund raiser. None of these lists was provided to me by, or with the cooperation of, any corporation. Invitations were directed to the following categories of invitees:

(a) Executives of companies interested in the national school lunch program. Their names were culled from advertisements in school food service publications, from the general directory of exhibitors at the convention, and from my own recollection of individuals interested in the national school lunch program over the years;

(b) Various political action committees (PACs);

(c) Individuals associated with the various state school food service programs, including the so-called "top 100" consisting of school food service directors in the major cities; and

(d) Individuals known to me to be interested in child nutrition legislation.

7. Following these invitations, I proceeded to assist the McGovern Campaign Committee with all necessary arrangements

for the fund raiser, with Mr. Matz acting in an advisory capacity. In making these arrangements, we were constantly mindful of the requirements of the Federal Election Campaign Act of 1971, as amended, and to this end, we consulted experienced counsel in the field in Washington, D. C.

8. All proceeds received from the fund raiser were deposited in an account of the McGovern Campaign Committee. All bills for expenses, such as the expense of printing invitations and of renting a room for the reception at the Radisson-Muehlebech Hotel in Kansas City, have been forwarded to the McGovern Campaign Committee for payment.

9. In his complaint, Robert Moore of the National Republican Senatorial Committee refers to, and attaches, a solicitation signed by me on Larry's Food Products, Inc. stationary. This letter was never intended to constitute an endorsement by Larry's Food Products, Inc. of the McGovern fund raiser. The letter was clearly marked "personal" and was directed to individuals and PACs only. Moreover, the McGovern Campaign Committee has been billed by, and will reimburse, Larry's Food Products, Inc. for each piece of stationary used, including postage. Finally, complainant Moore relies on the language of that letter, and specifically a reference to "25 companies to be represented" at the fund raiser, in alleging improper corporate involvement in this fund raiser. This language was by no means intended to suggest, nor should it be read to suggest, that food service or any other companies endorsed or otherwise supported this event.

10. The invitations prepared for this fund raising event stated clearly that no corporate checks would be

80040221475

ATTACHMENT 3

Before the
FEDERAL ELECTION COMMISSION

ROBERT MOORE, EXECUTIVE DIRECTOR
NATIONAL REPUBLICAN SENATORIAL
COMMITTEE
227 Massachusetts Avenue, N.E.
Washington, D. C. 20001

Complainant

v.

LARRY'S FOOD PRODUCTS, INC.
Box 2049
Gardena, California 90247

and

CHIP GOODMAN
425 Marguerita
Santa Monica, California 90402

and

CHILD NUTRITION APPRECIATION RECEPTION
c/o Chip Goodman
425 Marguerita
Santa Monica, California 90402

and

McGOVERN CAMPAIGN COMMITTEE
Box 1980
Sioux Falls, South Dakota 57102

Respondents

90 AUG 14 P 2: 05

RECEIVED
GENERAL INVESTIGATIVE
DIVISION

MUR #1261

ANSWER OF MR. CHIP GOODMAN

Mr. Lawrence M. Goodman, III, commonly called Chip Goodman, by counsel, answers the Complaint filed herein by Mr. Robert Moore, Executive Director, National Republican Senatorial Committee, as follows.

00040224475

I. Respondent admits that Exhibits A and B to the Complaint are a copy of a letter and a copy of a return form as alleged in ¶I, Complaint; denies that said letter and return form "appear to be corporate contributions"; and further denies that said letter and return form, or either of them, in fact are a corporate contribution.

Respondent avers that said Exhibits A and B are photocopies of a letter and of a return form written by Respondent as a personal communication, and specifically and personally marked "PERSONAL", using the stationery of Larry's Food Products, Inc., of which Respondent is an officer, and in part mailed with the postage of Larry's Food Products, Inc., without the authorization of Larry's Food Products, Inc., and for the de minimis costs of preparation of which Larry's Food Products, Inc., has billed the McGovern Campaign Committee.

From time to time Respondent writes personal letters on the stationery of Larry's Food Products, Inc., without advance authorization from Larry's Food Products, Inc. Exhibits A and B are consistent with that practice except that for federal election law purposes the de minimis cost of such letters is to be billed to the beneficiary, which was done in the instant case.

3004024477

II. The allegations set forth in ¶II, Complaint, do not relate to Respondent.

In fact, there is no such entity as the "Child Nutrition Appreciation Reception". That name is the name of an event, not of an entity.

III. The allegations set forth in ¶III, Complaint, do not relate to Respondent.

IV. Respondent denies both the explicit allegation that "said invitation apparently seeks contributions [from corporations]" and the implicit allegation that said invitation actually seeks such contributions.

In fact, said invitation neither solicits, nor appears to solicit, corporate contributions. It is addressed to individuals, not corporations. Exhibit B specifically and pertinently states: "Personal checks only. No corporate checks, please." Further, Exhibit B requires the name, address, occupation and business address of the contributor - information incompatible with a corporate contribution inasmuch as people, not corporations, have occupations.

V. Respondent avers that there is no such thing as "the Federal Election Campaign Finance Act"; the Federal Election Commission has no jurisdiction over alleged "improper"

0004024473

conduct; and in any event Respondent has violated no provision of law.

Respondent attaches, and incorporates herein by reference, his affidavit, which fully details the facts giving rise to the mailing of Exhibits A and B, including background which may be helpful to the Federal Election Commission.

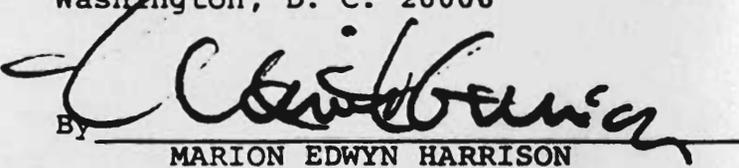
It is clear that Respondent's activities of which Complainant complains are the lawful activities of an individual citizen volunteering his services for a political campaign, acting as an unpaid agent of a campaign committee and soliciting named individuals, most of them well known to Respondent, who by virtue of their business are interested in a particular candidacy.

Prayer

WHEREFORE, premises considered, the Federal Election Commission forthwith should close the file with respect to Respondent Mr. Chip Goodman in MUR #1261.

BARNETT, ALAGIA & CAREY
Ninth Floor
1627 K Street, N.W.
Washington, D. C. 20006

By


MARION EDWYN HARRISON

August 14, 1980

0004024470

800 40224480

AFFIDAVIT OF CHIP GOODMAN

I, Chip Goodman, being duly sworn, depose and state as follows:

1. I am the Vice President of Larry's Food Products, Inc., a company engaged in providing school food services.

2. In early 1980, I discussed with Marshall Matz, a long-time assistant to Senator George McGovern and currently an attorney in Washington, D.C., the possibility of holding a fund raiser for the Senator's re-election campaign. This fund raiser would be attended by individuals interested in the national school lunch program who supported Senator McGovern and his efforts in the area of child nutrition and hunger.

3. Following my conversations with Mr. Matz, I contacted various individuals to determine whether they would participate in the fund raiser as Program Committee members, who would qualify as such by making a \$1,000 contribution to the McGovern Campaign Committee. The response to my invitation was excellent.

4. Following these initial contacts, Marshall Matz and I together with various prospective members of our Program Committee, visited Senator McGovern, presented the outline for our proposed fund raiser, and sought his advice and approval. Senator McGovern gave us his permission to proceed with the arrangements for this fund raiser on behalf of his campaign committee.

5. With the assistance of Mr. Matz and other interested individuals, it was determined that the most favorable locale and time for a successful fund raiser would be Kansas City, Missouri, during the American School Food Service Association

Convention in July, 1980, the only national gathering of individuals interested in the national school lunch program. At this convention would be gathered many individuals interested in the national school lunch program who actively follow Senator McGovern's activities in the area of nutrition, and who support his re-election to the United States Senate. Accordingly, beginning in March and April, 1980, I acted as agent of the McGovern Campaign Committee in preparing invitations to a fund raiser in Kansas City on July 22.

6. I was exclusively responsible for compiling lists of names of individuals to be invited to the fund raiser. None of these lists was provided to me by, or with the cooperation of, any corporation. Invitations were directed to the following categories of invitees:

(a) Executives of companies interested in the national school lunch program. Their names were culled from advertisements in school food service publications, from the general directory of exhibitors at the convention, and from my own recollection of individuals interested in the national school lunch program over the years;

(b) Various political action committees (PACs);

(c) Individuals associated with the various state school food service programs, including the so-called "top 100" consisting of school food service directors in the major cities; and

(d) Individuals known to me to be interested in child nutrition legislation.

7. Following these invitations, I proceeded to assist the McGovern Campaign Committee with all necessary arrangements

for the fund raiser, with Mr. Matz acting in an advisory capacity. In making these arrangements, we were constantly mindful of the requirements of the Federal Election Campaign Act of 1971, as amended, and to this end, we consulted experienced counsel in the field in Washington, D. C.

8. All proceeds received from the fund raiser were deposited in an account of the McGovern Campaign Committee. All bills for expenses, such as the expense of printing invitations and of renting a room for the reception at the Radisson-Muehlebech Hotel in Kansas City, have been forwarded to the McGovern Campaign Committee for payment.

9. In his complaint, Robert Moore of the National Republican Senatorial Committee refers to, and attaches, a solicitation signed by me on Larry's Food Products, Inc. stationary. This letter was never intended to constitute an endorsement by Larry's Food Products, Inc. of the McGovern fund raiser. The letter was clearly marked "personal" and was directed to individuals and PACs only. Moreover, the McGovern Campaign Committee has been billed by, and will reimburse, Larry's Food Products, Inc. for each piece of stationary used, including postage. Finally, complainant Moore relies on the language of that letter, and specifically a reference to "25 companies to be represented" at the fund raiser, in alleging improper corporate involvement in this fund raiser. This language was by no means intended to suggest, nor should it be read to suggest, that food service or any other companies endorsed or otherwise supported this event.

10. The invitations prepared for this fund raising event stated clearly that no corporate checks would be

accepted, and in those few instances where corporate checks were received by the McGovern Campaign Committee, the checks were promptly returned.

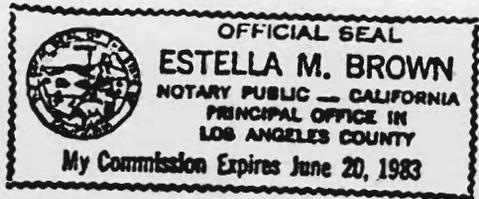
11. At all times, in organizing this fund raiser, I acted as an individual agent for the McGovern Campaign Committee with that Committee's express approval and cooperation.

DATED: August 8, 1980

Chip Goodman
Lawrence M. ("Chip") Goodman, III

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

On this 8th day of August in the year 1980, before me, the undersigned, a Notary Public in and for said County and State, personally appeared CHIP GOODMAN, known to me to be the person whose name is subscribed to the within instrument, and acknowledge under oath that he executed the same.



Estella M. Brown
Notary Public

(Seal)

8 0 0 4 0 2 2 4 4 8 4

ATTACHMENT 4

White

EXECUTIVE BOARD MEMBERS

President
MARY M. RHE
Director, School Food and Nutrition Program
Cobb County Board of Education
P.O. Box 1088
Marietta, Georgia 30061

President-elect
GERTRUDE APPLEBAUM
Director, Department of Food Services
Cypress Christi Independent School District
2525 Barton Street
Corpus Christi, Texas 78416

Secretary
GLADYS WATHAN
Food Service Director
Cedar Rapids Community Schools
348 Second Avenue S.W.
Cedar Rapids, Iowa 52404

Treasurer
RAYMOND D. BARKSDALE
Superintendent, School Services
P.O. Box 1308
Columbus, Mississippi 39701

REGIONAL DIRECTORS

Southeast Region
BARBARA H. WATTS
Director, School Food Service
Columbia County
3102 Trinkle Street
Lake City, Florida 32056

Midwest Region
DONNA DONOVAN
Food Service Director
Louis City Schools
R.R. 2, Box 10A
Louis City, Nebraska 68653

Midwest Region
MARTHA HILL
Regional Coordinator
Child Nutrition Programs
233 Riverside Drive
Madison, West Virginia 25130

West Region
PAULA W. AHLETTA
Director, Food Service
Yuma School District #1
450 Sixth Street
Yuma, Arizona 85384

Northeast Region
THELMA BECKER
Director of Food Service
Souderton Area School District
139 Harleysville Pike
Souderton, Pennsylvania 18984

Northwest Region
DOROTHY FINCH
Food Service Director
Granview School District
Box 10
Granville, Washington 98830

Southwest Region
HESSER HOLLIDAY
Executive Director
Houston Independent School District
2000 Lyons Avenue
Houston, Texas 77020

SECTION CHAIRMEN

Single Unit Personnel
LAURA ANSON
Cafeteria Manager-High School
Portland School District
501 North Dixon
Portland, Oregon 97227

College Personnel
DR. PENELOPE S. EASTON
Chairman and Professor
Dietetics and Nutrition
Florida International University
Miami, Florida 33199

Major City Directors and Superintendents
RUTH ROBERTSON
School Food Service Director
P.O. Box 28041
Raleigh, North Carolina 27611

District Directors and Superintendents
GAIL L. WEBSTER
Director, Food Services
Midwest City Det. City Public Schools
P.O. Box 10830
Midwest City, Oklahoma 73140

State Directors and Superintendents
DANIEL WISOTZKEY
Executive Director
Child Nutrition, Traffic Safety
Colorado State Department of Education
301 East Colfax Avenue
Denver, Colorado 80203

american school food service association

address reply to:

4101 East Iliff Ave.
Denver, Colo. 80222

904587

August 8, 1980

Charles N. Steele
General Council
Federal Election Commission
Washington, D.C. 20463

Re: MVR 1261

Dear Sir:

In response to your note of 7/24/80 (MVR 1261), I wish to inform you on behalf of the American School Food Service Association that the association had no involvement whatsoever in the fundraiser for Senator George McGovern.

A sworn statement by me to this effect has been provided to the McGovern Campaign Committee and will be attached to that committee's submission in this matter and constitutes the full response of this association.

Sincerely,

John D. Moseley
John D. Moseley, Ed.D.
Executive Director
JDM/pd

30 AUG 11 P 2:00

headquarters: 4101 east iliff avenue, denver, colorado 80222
(800) 525-8575 or (303) 757-8555

80040221485

ATTACHMENT 5

LAW OFFICES

ROBERT F. BAUER

SUITE 406

1101 SEVENTEENTH STREET, N.W.
WASHINGTON, D.C. 20036

(202) 296-0555

August 15, 1980

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

RE: MUR 1261

Dear Sir:

On July 24, 1980, you notified the McGovern Campaign Committee of a Complaint filed July 21 by Robert Moore, Executive Director of the National Republican Senatorial Committee. The Complaint named as respondents the Committee, Larry's Food Products, Inc., Mr. Chip Goodman and the "Child Nutrition Appreciation Reception". The allegations of Mr. Moore's complaint are framed in barely intelligible terms, including vague references to "improper fund raising" conducted by the Committee. To the degree that Mr. Moore's allegations are identifiable, however, they may be roughly stated as follows:

- 1) That Larry's Food Products, with the consent and participation of its Vice President Chip Goodman, solicited and made corporate contributions to the "Child Nutrition Appreciation Reception", a fund raising event held for the benefit of the Committee; and
- 2) That those individuals or groups involved in organizing this Reception constituted a separate political committee, apart from the Committee, and should have registered as such.

Neither of these allegations have any basis in law or fact, as this letter and supporting documentation will show. The file in this matter should, therefore, be promptly closed.

1. The Allegation that Corporate Contributions were Solicited for and Received by the Committee.

The first allegation addressed here, i.e., that corporate contributions were solicited for and received by the Committee, may be readily established as false. This allegation may be broken into two subparts: 1) an allegation that Larry's Food Products (LFP) made an in-kind contribution, with the consent of Mr. Goodman as Vice President, to the McGovern Committee, and 2) that

on behalf of the McGovern Committee, LFP, with the consent of Mr. Goodman, solicited corporate members of a trade association, including "approximately twenty-five companies to be represented" at the Reception.

a. Contributions in-kind from Larry's Food Products

The "evidence" submitted by the Complainant on the first part of the allegation is a solicitation letter written on Larry's Food Products stationary by Chip Goodman, that company's Vice President for Marketing. That letter solicits attendance at the "Child Nutrition Appreciation Reception" honoring Senator McGovern, and also a contribution to the McGovern campaign. Contrary to the inference drawn by Complainant, this letter was not prepared by Mr. Goodman as Company Vice President but rather as an individual volunteer agent of the McGovern Committee. See affidavit of Mr. Chip Goodman, submitted as part of his response dated August 14, 1980, in which he affirms at p. 2 that "... I acted as agent of the McGovern Campaign Committee in preparing invitations to a fund raiser in Kansas City on July 22." In that affidavit, at p. 4, Mr. Goodman also states that "At all times, in organizing this fund raiser, I acted as an individual agent for the ... Committee ...". It was for that reason that the letter was clearly marked "personal"; Mr. Goodman, acting only as an individual volunteer for the Committee, did not want any misunderstanding of that role. See affidavit of Mr. Goodman, where he states at p. 3, that "this (solicitation) letter was never intended to constitute an endorsement by Larry's Food Products, Inc. of the McGovern fund raiser." Moreover, Mr. Goodman did not use unreimbursed corporate facilities or materials in conducting his volunteer activity. The costs of the stationary, including any postage used, was billed to the McGovern Campaign Committee for reimbursement in accordance with Part 114 of the FEC Regulations, and more specifically, with §114.9(c) of those Regulations. See affidavit of Mr. Goodman at p. 3.

These facts completely refute the allegations made by Complainant. A political committee, like the McGovern Committee, may without question lawfully designate an "agent" to assist it in fund raising activities. See e.g. Advisory Opinions 1979-6 and 1979-35, which refer to the designation of "agents" in the context of joint fund raising. Moreover, FEC Regulations specifically authorize individual volunteers, such as Mr. Goodman, to use "the facilities of a corporation ... to produce materials in connection with a Federal election", provided that the corporation is reimbursed "within a commercially reasonable time for the normal and usual charge for producing such materials in the commercial market." §114.9(c) In drawing upon his corporate stationary to produce solicitation materials for this fund raising, and in billing the Committee promptly for the normal charge for those materials, Mr. Goodman brought his activities well within the scope of these Regulations.

b. Solicitation of corporate "members" of a trade association.

Mr. Moore rests this allegation, i.e., that corporate contributions were solicited to the Reception by LFP and Mr. Goodman, on a tortured construction of Mr. Goodman's solicitation letter, and specifically, on language in that letter to the effect that "twenty-five companies (would) be represented" at the Reception. As Mr. Goodman has made clear in his affidavit, attached to his response filed August 14, no corporations were solicited by him acting as a volunteer agent for the Committee. That reception was organized entirely by individual volunteer agents of the McGovern Committee, and specifically under the leadership of Mr. Marshall Matz and Mr. Goodman. See attached affidavit of Mr. Marshall Matz (Exhibit #1), who affirms at p. 1 that he acted as "a volunteer with Chip Goodman and other volunteers" to organize the Reception on behalf of, and with the express authorization of, the McGovern Committee. Only individuals and political action committees were solicited. See affidavit of Mr. Goodman, p. 2. Indeed, Complainant, for obvious reasons of his own, omits the name of the addressee of the letter submitted as "evidence". If the Commission were to require disclosure of the identity of that addressee, it could verify that it was either an individual or a political action committee.

Two additional points should be made. First, the Committee attaches a card as Exhibit #2, which is part of the solicitation materials for the Reception, and which shows the members of the Program Committee for the Reception. While each of these individuals is identified by the company he is affiliated with, the card states specifically, in a notice at the bottom, that the "Company names are for identification only". The Committee's lawful intent, namely, to involve only individuals and not their companies in this solicitation, could not have been clearer. Second, as counsel for Chip Goodman states in his response dated August 14, the solicitation cards call for the name, address and occupation of the solicitee -- information which only individuals, and not corporations, must and are able to provide. This is also true in the case of the request for the solicitee's "home address", as distinguished from his "business address".

It could not be clearer that there were no solicitations of any companies for the Reception held on July 22, 1980 by the McGovern Committee.

Mr. Charles Steele
August 15, 1980
Page 4

LAW OFFICES
ROBERT F. BAUER

2. The Allegation that "Child Nutrition Appreciation Reception" is not a Registered Political Committee.

0040024490

In paragraph 3 of his Complaint, Mr. Moore alleges that the "Child Nutrition Appreciation Reception" is not a registered political committee.* Mr. Moore is absolutely correct; the Reception is not a committee, but instead -- as he recognizes in paragraph 2 -- an "event" sponsored by the McGovern Campaign Committee. See also affidavit of Marshall Matz, where he states at p. 2 that the "Reception was a fanciful name decided upon for the ad hoc cocktail party ... for Senator McGovern." There would have been no legal grounds whatsoever for registering the Reception as a separate political committee, apart from the McGovern Campaign Committee, since the "Reception" was the name given to a fund raising event organized by individual volunteer agents of the Committee with the Committee's express authorization. It was the McGovern Campaign Committee which made all arrangements through its agents for this fund raiser; which assumed full financial responsibility for the Reception, including the payment of all expenses; and which benefited from all proceeds.

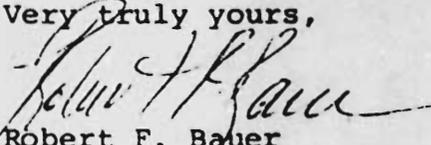
*Complainant also states that the American Food Service Association is not a registered committee. This assertion is gratuitous; the Association is certainly not a political committee, nor did it have anything whatsoever to do with the fund raising at issue in this matter. Complainant obviously knows that the Association is in no way involved, for it does not name the Association as a respondent or actually allege that it committed any unlawful acts. In order to keep the record clear on this point, however, the Committee requested that the Executive Director of the Association, Mr. John D. Moseley, provide an affidavit affirming that the Association had no involvement in this or any other fund raiser. Exhibit #3.

Mr. Charles Steele
August 15, 1980
Page 5

LAW OFFICES
ROBERT F. BAUER

It should be evident from the foregoing that none of the allegations made by Complainant are grounded in law or fact. For these reasons, the Complaint should be immediately dismissed, and the file in this matter promptly closed.

Very truly yours,



Robert F. Bauer

RFB:peg

Enclosures

40040224491

AFFIDAVIT OF MARSHALL MATZ

I, MARSHALL MATZ, being duly sworn, deposes and states as follows:

1. Since February 1, 1980, I have been associated with the law firm of Barnett, Alagia & Carey, Washington, D.C.
2. During the seven preceding years, January 1973 through January 1980, I was an employee of the United States Senate serving for five years in various legal capacities with the Senate Select Committee on Nutrition and Human Needs which was chaired by Senator George McGovern, and then for two years served as Special Counsel to the Senate Committee on Agriculture, Nutrition and Forestry. During these two years I was primarily associated with the work of the Subcommittee on Nutrition which was chaired by Senator George McGovern.
3. In February or March of this year as a volunteer I discussed with Chip Goodman and other volunteers interested in our nation's school meals programs the possibility of a fund raising cocktail party to assist Senator McGovern in his re-election campaign.
4. Following our initial conversations, a group of individuals, later to become the Program Committee, met with Senator McGovern to suggest the idea of a fundraiser.
5. With Senator McGovern's approval and permission plans were entered into for a fundraiser to be held in Kansas City, Missouri, in July of 1980. This time and place were chosen to coincide with the only national convention of those persons interested in the national school meals program. The participants in the fundraiser, Democrats and Republicans alike,

sought to recognize Senator McGovern's long recognized national leadership in the area of child nutrition.

6. During this time I was acting as a volunteer agent of the McGovern Committee.

7. Upon information and belief, all proceeds from the fundraiser were deposited in an account opened for the McGovern Campaign Committee and all bills and expenses for the event were forwarded to the McGovern Committee. The invitations sent out, which were paid for by the McGovern Committee, specifically said "No corporate checks, please".

8. The Child Nutrition Appreciation Reception was a fanciful name decided upon for the ad hoc cocktail party in an effort to attract those individuals who have followed Senator McGovern's efforts on behalf of child nutrition.

Further Affiant sayeth not.

Marshall Matz
MARSHALL MATZ

DISTRICT OF COLUMBIA
CITY OF WASHINGTON, ss:

Subscribed and sworn to before me this 27th day of August, 1980.

Pamela L. Vennerdrow
PAMELA L. VENNARDROW
Notary Public, D.C.

My Commission expires April 14, 1984.

CHILD NUTRITION APPRECIATION RECEPTION

PROGRAM COMMITTEE

Bill Eiserloh, *W. A. Eiserloh Company*
Abe Gellis, *New York Turkey Corporation*
David G. Hehir, *M. Egan Company*
Marshall Matz, *Barnett, Alagia & Carey*
Robert L. Mays, Jr., *Standard Food Service*
Leavitt V. McBride, *Great American Basic Commodities*
Alan J. Pakstis, *Idle Wild Farm*
Neil Robinson, *Butcher Boy Food Products*
Jerome B. Rounds, *Advantage Food Marketing*
Louis Sabatasso, *Sabatasso Pizza*
Chip Goodman, *Larry's Food Products*

CHAIRMAN

(Company names are for identification only)

AMERICAN SCHOOL FOOD SERVICE ASSOCIATION'S
RESPONSE TO THE
FEDERAL ELECTION COMMISSION MUR-1261

ROBERT MOORE, EXECUTIVE DIRECTOR
NATIONAL REPUBLICAN SENATORIAL
COMMITTEE
227 Massachusetts Avenue, N.E.
Washington, D.C. 20001

Complainant,

v.

LARRY'S FOOD PRODUCTS, INC.
P. O. Box 2049
Gardena, CA 90247

and

CHIP GOODMAN
425 Marguerita
Santa Monica, CA 90402

AFFIDAVIT RE:
MUR-1261

and

CHILD NUTRITION APPRECIATION
RECEPTION
c/o Chip Goodman
425 Marguerita
Santa Monica, CA 90402

and

MCGOVERN CAMPAIGN COMMITTEE
P. O. Box 1980
Sioux Falls, SD 57102

Respondents.

AFFIDAVIT

I, John D. Moseley, being duly sworn, deposes and states the following: —

1. I am the Executive Director of the American School Food Service Association, headquartered at 4101 East Iliff Avenue, Denver, Colorado 80222.
2. The American School Food Service Association does not involve itself in political campaigns.
3. The American School Food Service Association did not solicit funds for the Child Nutrition Appreciation Reception for Senator McGovern.
4. The American School Food Service Association did not endorse any political candidate.

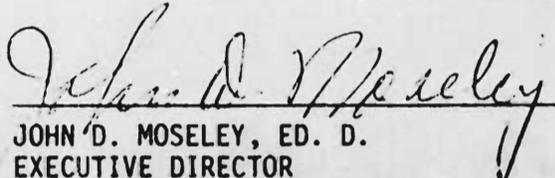
0 0 4 0 2 2 4 4 9 C
AFFIDAVIT

-2-

5. The American School Food Service Association did not participate in the planning, organization, or implementation of the Child Nutrition Appreciation Reception honoring Senator George McGovern.

6. The American School Food Service Association did not solicit funds for any campaign purposes.

Further affiant sayeth not.



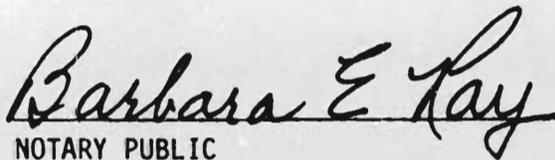
JOHN D. MOSELEY, ED. D.
EXECUTIVE DIRECTOR

AMERICAN SCHOOL FOOD SERVICE ASSOCIATION

STATE OF COLORADO

COUNTY OF DENVER

Subscribed and sworn to before me this First day of August, 1980.



NOTARY PUBLIC

My Commission Expires 16 August 1983

PROPOSED LETTERS TO RESPONDENTS

80040024497



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John D. Moseley, Executive Director
American School Food Service Association
4101 E. Iliff Avenue
Denver, Colorado 80222

Re: MUR 1261

Dear Mr. Moseley:

On July 24, 1980, the Commission notified you of a complaint alleging that the American School Food Service Association may have violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on _____, 1980, determined, on the basis of the information in the complaint and information provided by you, that there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission has closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel

80040224198



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Marion Edwyn Harrison
Barnett, Alagia and Carey
Ninth Floor
1627 K Street, N.W.
Washington, D.C. 20006

Re: MUR 1261

Dear Mr. Harrison:

On July 24, 1980, the Commission notified you of a complaint alleging that your clients, Larry's Food Products Inc., Chip Goodman, and the Child Nutrition Appreciation Reception, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on _____, 1980, determined, on the basis of the information in the complaint and information provided by your clients, that there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission has closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel

0040224490



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert Bauer
Suite 406
1101 Seventeenth Street, N.W.
Washington, D.C. 20036

Re: MUR 1261

Dear Mr. Bauer:

On July 24, 1980, the Commission notified you of a complaint alleging that your client, the McGovern Campaign Committee, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on _____, 1980, determined, on the basis of the information in the complaint and information provided by you, that there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission has closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel

80040224500



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert Moore, Executive Director
National Republican Senatorial Committee
227 Massachusetts Avenue, N.E.
Washington, D.C. 20001

Re: MUR 1261

Dear Mr. Moore:

The Federal Election Commission has reviewed the allegations of your complaint dated July 21, 1980, and determined, on the basis of the information provided in your complaint and information provided by the Respondents, that there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended ("the Act") has been committed. Accordingly, the Commission has decided to close the file in this matter.

Should additional information come to your attention which you believe establishes a violation of the Act, please contact Maura White, the staff member assigned to this matter at 202/523-4060.

Sincerely,

Charles N. Steele
General Counsel

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3007 2339

80 AUG 15 P 3: 09

LAW OFFICES
ROBERT F. BAUER
SUITE 408
1101 SEVENTEENTH STREET, N.W.
WASHINGTON, D.C. 20036

(202) 296-0555

August 15, 1980

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

RE: MUR 1261

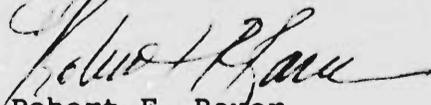
Dear Ms. White:

Enclosed is the response of the McGovern Campaign Committee to the Complaint filed in the above captioned matter.

Counsel for Mr. Chip Goodman and Larry's Food Products, Inc. has served the Committee with a copy of these parties' responses, including the Affidavit of Mr. Goodman. The Committee has made reference to this Goodman Affidavit in its own response.

If you have any questions, I'd be happy to answer them.

Very truly yours,


Robert F. Bauer

RFB:peg

Enclosures

004002450

80 AUG 15 P 4: 35

RECEIVED

80 AUG 15 4:09

LAW OFFICES
ROBERT F. BAUER
SUITE 406
1101 SEVENTEENTH STREET, N.W.
WASHINGTON, D.C. 20036

(202) 296-0555

August 15, 1980

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

RE: MUR 1261

Dear Sir:

On July 24, 1980, you notified the McGovern Campaign Committee of a Complaint filed July 21 by Robert Moore, Executive Director of the National Republican Senatorial Committee. The Complaint named as respondents the Committee, Larry's Food Products, Inc., Mr. Chip Goodman and the "Child Nutrition Appreciation Reception". The allegations of Mr. Moore's complaint are framed in barely intelligible terms, including vague references to "improper fund raising" conducted by the Committee. To the degree that Mr. Moore's allegations are identifiable, however, they may be roughly stated as follows:

- 1) That Larry's Food Products, with the consent and participation of its Vice President Chip Goodman, solicited and made corporate contributions to the "Child Nutrition Appreciation Reception", a fund raising event held for the benefit of the Committee; and
- 2) That those individuals or groups involved in organizing this Reception constituted a separate political committee, apart from the Committee, and should have registered as such.

Neither of these allegations have any basis in law or fact, as this letter and supporting documentation will show. The file in this matter should, therefore, be promptly closed.

1. The Allegation that Corporate Contributions were Solicited for and Received by the Committee.

The first allegation addressed here, i.e., that corporate contributions were solicited for and received by the Committee, may be readily established as false. This allegation may be broken into two subparts: 1) an allegation that Larry's Food Products (LFP) made an in-kind contribution, with the consent of Mr. Goodman as Vice President, to the McGovern Committee, and 2) that

on behalf of the McGovern Committee, LFP, with the consent of Mr. Goodman, solicited corporate members of a trade association, including "approximately twenty-five companies to be represented" at the Reception.

a. Contributions in-kind from Larry's Food Products

0049024501

The "evidence" submitted by the Complainant on the first part of the allegation is a solicitation letter written on Larry's Food Products stationary by Chip Goodman, that company's Vice President for Marketing. That letter solicits attendance at the "Child Nutrition Appreciation Reception" honoring Senator McGovern, and also a contribution to the McGovern campaign. Contrary to the inference drawn by Complainant, this letter was not prepared by Mr. Goodman as Company Vice President but rather as an individual volunteer agent of the McGovern Committee. See affidavit of Mr. Chip Goodman, submitted as part of his response dated August 14, 1980, in which he affirms at p. 2 that "... I acted as agent of the McGovern Campaign Committee in preparing invitations to a fund raiser in Kansas City on July 22." In that affidavit, at p. 4, Mr. Goodman also states that "At all times, in organizing this fund raiser, I acted as an individual agent for the ... Committee ...". It was for that reason that the letter was clearly marked "personal"; Mr. Goodman, acting only as an individual volunteer for the Committee, did not want any misunderstanding of that role. See affidavit of Mr. Goodman, where he states at p. 3, that "this (solicitation) letter was never intended to constitute an endorsement by Larry's Food Products, Inc. of the McGovern fund raiser." Moreover, Mr. Goodman did not use unreimbursed corporate facilities or materials in conducting his volunteer activity. The costs of the stationary, including any postage used, was billed to the McGovern Campaign Committee for reimbursement in accordance with Part 114 of the FEC Regulations, and more specifically, with §114.9(c) of those Regulations. See affidavit of Mr. Goodman at p. 3.

These facts completely refute the allegations made by Complainant. A political committee, like the McGovern Committee, may without question lawfully designate an "agent" to assist it in fund raising activities. See e.g. Advisory Opinions 1979-6 and 1979-35, which refer to the designation of "agents" in the context of joint fund raising. Moreover, FEC Regulations specifically authorize individual volunteers, such as Mr. Goodman, to use "the facilities of a corporation ... to produce materials in connection with a Federal election", provided that the corporation is reimbursed "within a commercially reasonable time for the normal and usual charge for producing such materials in the commercial market." §114.9(c) In drawing upon his corporate stationary to produce solicitation materials for this fund raising, and in billing the Committee promptly for the normal charge for those materials, Mr. Goodman brought his activities well within the scope of these Regulations.

b. Solicitation of corporate "members" of a trade association.

Mr. Moore rests this allegation, i.e., that corporate contributions were solicited to the Reception by LFP and Mr. Goodman, on a tortured construction of Mr. Goodman's solicitation letter, and specifically, on language in that letter to the effect that "twenty-five companies (would) be represented" at the Reception. As Mr. Goodman has made clear in his affidavit, attached to his response filed August 14, no corporations were solicited by him acting as a volunteer agent for the Committee. That reception was organized entirely by individual volunteer agents of the McGovern Committee, and specifically under the leadership of Mr. Marshall Matz and Mr. Goodman. See attached affidavit of Mr. Marshall Matz (Exhibit #1), who affirms at p. 1 that he acted as "a volunteer with Chip Goodman and other volunteers" to organize the Reception on behalf of, and with the express authorization of, the McGovern Committee. Only individuals and political action committees were solicited. See affidavit of Mr. Goodman, p. 2. Indeed, Complainant, for obvious reasons of his own, omits the name of the addressee of the letter submitted as "evidence". If the Commission were to require disclosure of the identity of that addressee, it could verify that it was either an individual or a political action committee.

Two additional points should be made. First, the Committee attaches a card as Exhibit #2, which is part of the solicitation materials for the Reception, and which shows the members of the Program Committee for the Reception. While each of these individuals is identified by the company he is affiliated with, the card states specifically, in a notice at the bottom, that the "Company names are for identification only". The Committee's lawful intent, namely, to involve only individuals and not their companies in this solicitation, could not have been clearer. Second, as counsel for Chip Goodman states in his response dated August 14, the solicitation cards call for the name, address and occupation of the solicitee -- information which only individuals, and not corporations, must and are able to provide. This is also true in the case of the request for the solicitee's "home address", as distinguished from his "business address".

It could not be clearer that there were no solicitations of any companies for the Reception held on July 22, 1980 by the McGovern Committee.

0040024503

Mr. Charles Steele
August 15, 1980
Page 4

LAW OFFICES
ROBERT F. BAUER

2. The Allegation that "Child Nutrition Appreciation Reception" is not a Registered Political Committee.

In paragraph 3 of his Complaint, Mr. Moore alleges that the "Child Nutrition Appreciation Reception" is not a registered political committee.* Mr. Moore is absolutely correct; the Reception is not a committee, but instead -- as he recognizes in paragraph 2 -- an "event" sponsored by the McGovern Campaign Committee. See also affidavit of Marshall Matz, where he states at p. 2 that the "Reception was a fanciful name decided upon for the ad hoc cocktail party ... for Senator McGovern." There would have been no legal grounds whatsoever for registering the Reception as a separate political committee, apart from the McGovern Campaign Committee, since the "Reception" was the name given to a fund raising event organized by individual volunteer agents of the Committee with the Committee's express authorization. It was the McGovern Campaign Committee which made all arrangements through its agents for this fund raiser; which assumed full financial responsibility for the Reception, including the payment of all expenses; and which benefited from all proceeds.

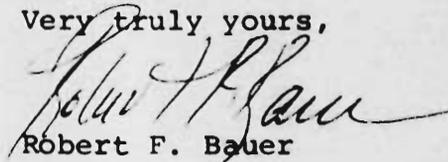
*Complainant also states that the American Food Service Association is not a registered committee. This assertion is gratuitous; the Association is certainly not a political committee, nor did it have anything whatsoever to do with the fund raising at issue in this matter. Complainant obviously knows that the Association is in no way involved, for it does not name the Association as a respondent or actually allege that it committed any unlawful acts. In order to keep the record clear on this point, however, the Committee requested that the Executive Director of the Association, Mr. John D. Moseley, provide an affidavit affirming that the Association had no involvement in this or any other fund raiser. Exhibit #3.

Mr. Charles Steele
August 15, 1980
Page 5

LAW OFFICES
ROBERT F. BAUER

It should be evident from the foregoing that none of the allegations made by Complainant are grounded in law or fact. For these reasons, the Complaint should be immediately dismissed, and the file in this matter promptly closed.

Very truly yours,



Robert F. Bauer

RFB:peg

Enclosures

60040224507

AFFIDAVIT OF MARSHALL MATZ

I, MARSHALL MATZ, being duly sworn, deposes and states as follows:

1. Since February 1, 1980, I have been associated with the law firm of Barnett, Alagia & Carey, Washington, D.C.
2. During the seven preceding years, January 1973 through January 1980, I was an employee of the United States Senate serving for five years in various legal capacities with the Senate Select Committee on Nutrition and Human Needs which was chaired by Senator George McGovern, and then for two years served as Special Counsel to the Senate Committee on Agriculture, Nutrition and Forestry. During these two years I was primarily associated with the work of the Subcommittee on Nutrition which was chaired by Senator George McGovern.
3. In February or March of this year as a volunteer I discussed with Chip Goodman and other volunteers interested in our nation's school meals programs the possibility of a fund raising cocktail party to assist Senator McGovern in his re-election campaign.
4. Following our initial conversations, a group of individuals, later to become the Program Committee, met with Senator McGovern to suggest the idea of a fundraiser.
5. With Senator McGovern's approval and permission plans were entered into for a fundraiser to be held in Kansas City, Missouri, in July of 1980. This time and place were chosen to coincide with the only national convention of those persons interested in the national school meals program. The participants in the fundraiser, Democrats and Republicans alike,

sought to recognize Senator McGovern's long recognized national leadership in the area of child nutrition.

6. During this time I was acting as a volunteer agent of the McGovern Committee.

7. Upon information and belief, all proceeds from the fundraiser were deposited in an account opened for the McGovern Campaign Committee and all bills and expenses for the event were forwarded to the McGovern Committee. The invitations sent out, which were paid for by the McGovern Committee, specifically said "No corporate checks, please".

8. The Child Nutrition Appreciation Reception was a fanciful name decided upon for the ad hoc cocktail party in an effort to attract those individuals who have followed Senator McGovern's efforts on behalf of child nutrition.

Further Affiant sayeth not.


MARSHALL MATZ

DISTRICT OF COLUMBIA
CITY OF WASHINGTON, ss:

Subscribed and sworn to before me this 12th day of August, 1980.


PAMELA L. VENNERDROW
Notary Public, D.C.

My Commission expires April 14, 1984.

CHILD NUTRITION APPRECIATION RECEPTION

PROGRAM COMMITTEE

Bill Eiserloh, *W. A. Eiserloh Company*
Abe Gellis, *New York Turkey Corporation*
David G. Hehir, *M. Egan Company*
Marshall Matz, *Barnett, Alagia & Carey*
Robert L. Mays, Jr., *Standard Food Service*
Leavitt V. McBride, *Great American Basic Commodities*
Alan J. Pakstis, *Idle Wild Farm*
Neil Robinson, *Butcher Boy Food Products*
Jerome B. Rounds, *Advantage Food Marketing*
Louis Sabatasso, *Sabatasso Pizza*
Chip Goodman, *Larry's Food Products*
CHAIRMAN

(Company names are for identification only)

80040224510

AMERICAN SCHOOL FOOD SERVICE ASSOCIATION'S
 RESPONSE TO THE
 FEDERAL ELECTION COMMISSION MUR-1261

ROBERT MOORE, EXECUTIVE DIRECTOR
 NATIONAL REPUBLICAN SENATORIAL
 COMMITTEE
 227 Massachusetts Avenue, N.E.
 Washington, D.C. 20001

Complainant,

v.

LARRY'S FOOD PRODUCTS, INC.
 P. O. Box 2049
 Gardena, CA 90247

and

CHIP GOODMAN
 425 Marguerita
 Santa Monica, CA 90402

AFFIDAVIT RE:

MUR-1261

and

CHILD NUTRITION APPRECIATION
 RECEPTION
 c/o Chip Goodman
 425 Marguerita
 Santa Monica, CA 90402

and

MCGOVERN CAMPAIGN COMMITTEE
 P. O. Box 1980
 Sioux Falls, SD 57102

Respondents.

AFFIDAVIT

I, John D. Moseley, being duly sworn, deposes and states the following:

1. I am the Executive Director of the American School Food Service Association, headquartered at 4101 East Iliff Avenue, Denver, Colorado 80222.
2. The American School Food Service Association does not involve itself in political campaigns.
3. The American School Food Service Association did not solicit funds for the Child Nutrition Appreciation Reception for Senator McGovern.
4. The American School Food Service Association did not endorse any political candidate.

AFFIDAVIT

5. The American School Food Service Association did not participate in the planning, organization, or implementation of the Child Nutrition Appreciation Reception honoring Senator George McGovern.

6. The American School Food Service Association did not solicit funds for any campaign purposes.

Further affiant sayeth not.

John D. Moseley

JOHN D. MOSELEY, ED. D.
EXECUTIVE DIRECTOR
AMERICAN SCHOOL FOOD SERVICE ASSOCIATION

STATE OF COLORADO

COUNTY OF DENVER

Subscribed and sworn to before me this First day of August, 1980.

Barbara E. Lay

NOTARY PUBLIC

My Commission Expires 16 August 1983

BEFORE THE
FEDERAL ELECTION COMMISSION

2007
5323

30 AUG 14 P 2: 01

RECEIVED
GENERAL COUNSEL

ROBERT MOORE, EXECUTIVE DIRECTOR
NATIONAL REPUBLICAN SENATORIAL
COMMITTEE
227 Massachusetts Avenue, N.E.
Washington, D. C. 20001

Complainant

v.

LARRY'S FOOD PRODUCTS, INC.
Box 2049
Gardena, California 90247

and

CHIP GOODMAN
425 Marguerita
Santa Monica, California 90402

MUR #1261

and

CHILD NUTRITION APPRECIATION RECEPTION
c/o Chip Goodman
425 Marguerita
Santa Monica, California 90402

and

McGOVERN CAMPAIGN COMMITTEE
Box 1980
Sioux Falls, South Dakota 57102

Respondents

ANSWER OF LARRY'S FOOD PRODUCTS, INC.

Larry's Food Products, Inc. ("Respondent"), by
counsel, answers the Complaint filed herein by Mr. Robert
Moore, Executive Director, National Republican Senatorial

30040224514

Committee, as follows.

I. Respondent admits that Exhibits A and B to the Complaint are a copy of a letter and a copy of a return form as alleged in ¶I, Complaint; denies that said letter and return form "appear to be corporate contributions"; and further denies that said letter and return form, or either of them, in fact are a corporate contribution.

Respondent avers that said Exhibits A and B are photocopies of a letter and of a return form written as a personal communication, and so marked, by Mr. Lawrence M. Goodman, III, commonly called Chip Goodman, an officer of Respondent, using Respondent's stationery and in part mailed with Respondent's postage, without Respondent's authorization, and for the de minimis costs of preparation of which Respondent has billed the McGovern Campaign Committee.

Officers of Respondent from time to time write personal letters on the stationery of Respondent, without Respondent's advance authorization. Exhibits A and B are consistent with that practice except that for federal election law purposes the de minimis cost of such letters is to be billed to the beneficiary, which was done in the instant case.

0004024515

II. The allegations set forth in ¶II, Complaint, do not relate to Respondent.

III. The allegations set forth in ¶III, Complaint, do not relate to Respondent.

IV. The allegations set forth in ¶IV, Complaint, do not relate to Respondent.

V. Respondent avers that there is no such thing as "the Federal Election Campaign Finance Act"; the Federal Election Commission has no jurisdiction over alleged "improper" conduct; and in any event Respondent has violated no provision of law.

Respondent refers to the Answer herein of Mr. Chip Goodman; incorporates by reference herein the Affidavit of Mr. Chip Goodman filed therewith, specifically inviting the attention of the Federal Election Commission to ¶6 thereof, to the second sentence of ¶8 thereof, to ¶9 thereof and to ¶10 thereof.

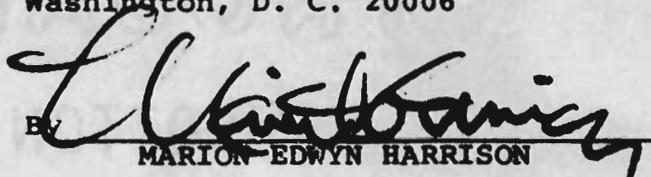
It is clear that the activities of Mr. Chip Goodman of which Complainant complains are his personally and represent no activity or contribution by or from Respondent.

00040224515

Prayer

WHEREFORE, premises considered, the Federal Election Commission forthwith should close the file with respect to Respondent Larry's Food Products, Inc., in MUR #1261.

BARNETT, ALAGIA & CAREY
Ninth Floor
1627 K Street, N.W.
Washington, D. C. 20006

BY 
MARION EDWYN HARRISON

August 14, 1980

80040224517

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AFFIDAVIT OF CHIP GOODMAN

I, Chip Goodman, being duly sworn, depose and state as follows:

1. I am the Vice President of Larry's Food Products, Inc., a company engaged in providing school food services.

2. In early 1980, I discussed with Marshall Matz, a long-time assistant to Senator George McGovern and currently an attorney in Washington, D.C., the possibility of holding a fund raiser for the Senator's re-election campaign. This fund raiser would be attended by individuals interested in the national school lunch program who supported Senator McGovern and his efforts in the area of child nutrition and hunger.

3. Following my conversations with Mr. Matz, I contacted various individuals to determine whether they would participate in the fund raiser as Program Committee members, who would qualify as such by making a \$1,000 contribution to the McGovern Campaign Committee. The response to my invitation was excellent.

4. Following these initial contacts, Marshall Matz and I together with various prospective members of our Program Committee, visited Senator McGovern, presented the outline for our proposed fund raiser, and sought his advice and approval. Senator McGovern gave us his permission to proceed with the arrangements for this fund raiser on behalf of his campaign committee.

5. With the assistance of Mr. Matz and other interested individuals, it was determined that the most favorable locale and time for a successful fund raiser would be Kansas City, Missouri, during the American School Food Service Association

Convention in July, 1980, the only national gathering of individuals interested in the national school lunch program. At this convention would be gathered many individuals interested in the national school lunch program who actively follow Senator McGovern's activities in the area of nutrition, and who support his re-election to the United States Senate. Accordingly, beginning in March and April, 1980, I acted as agent of the McGovern Campaign Committee in preparing invitations to a fund raiser in Kansas City on July 22.

6. I was exclusively responsible for compiling lists of names of individuals to be invited to the fund raiser. None of these lists was provided to me by, or with the cooperation of, any corporation. Invitations were directed to the following categories of invitees:

(a) Executives of companies interested in the national school lunch program. Their names were culled from advertisements in school food service publications, from the general directory of exhibitors at the convention, and from my own recollection of individuals interested in the national school lunch program over the years;

(b) Various political action committees (PACs);

(c) Individuals associated with the various state school food service programs, including the so-called "top 100" consisting of school food service directors in the major cities; and

(d) Individuals known to me to be interested in child nutrition legislation.

7. Following these invitations, I proceeded to assist the McGovern Campaign Committee with all necessary arrangements

for the fund raiser, with Mr. Matz acting in an advisory capacity. In making these arrangements, we were constantly mindful of the requirements of the Federal Election Campaign Act of 1971, as amended, and to this end, we consulted experienced counsel in the field in Washington, D. C.

8. All proceeds received from the fund raiser were deposited in an account of the McGovern Campaign Committee. All bills for expenses, such as the expense of printing invitations and of renting a room for the reception at the Radisson-Muehlebech Hotel in Kansas City, have been forwarded to the McGovern Campaign Committee for payment.

9. In his complaint, Robert Moore of the National Republican Senatorial Committee refers to, and attaches, a solicitation signed by me on Larry's Food Products, Inc. stationary. This letter was never intended to constitute an endorsement by Larry's Food Products, Inc. of the McGovern fund raiser. The letter was clearly marked "personal" and was directed to individuals and PACs only. Moreover, the McGovern Campaign Committee has been billed by, and will reimburse, Larry's Food Products, Inc. for each piece of stationary used, including postage. Finally, complainant Moore relies on the language of that letter, and specifically a reference to "25 companies to be represented" at the fund raiser, in alleging improper corporate involvement in this fund raiser. This language was by no means intended to suggest, nor should it be read to suggest, that food service or any other companies endorsed or otherwise supported this event.

10. The invitations prepared for this fund raising event stated clearly that no corporate checks would be

accepted, and in those few instances where corporate checks were received by the McGovern Campaign Committee, the checks were promptly returned.

11. At all times, in organizing this fund raiser, I acted as an individual agent for the McGovern Campaign Committee with that Committee's express approval and cooperation.

DATED: August 8, 1980

Chip Goodman
Lawrence M. ("Chip") Goodman, III

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

On this 8th day of August in the year 1980, before me, the undersigned, a Notary Public in and for said County and State, personally appeared CHIP GOODMAN, known to me to be the person whose name is subscribed to the within instrument, and acknowledge under oath that he executed the same.



Estella M. Brown
Notary Public

(Seal)

Before the
FEDERAL ELECTION COMMISSION

ROBERT MOORE, EXECUTIVE DIRECTOR
NATIONAL REPUBLICAN SENATORIAL
COMMITTEE
227 Massachusetts Avenue, N.E.
Washington, D. C. 20001

Complainant

v.

LARRY'S FOOD PRODUCTS, INC.
Box 2049
Gardena, California 90247

and

CHIP GOODMAN
425 Marguerita
Santa Monica, California 90402

and

CHILD NUTRITION APPRECIATION RECEPTION
c/o Chip Goodman
425 Marguerita
Santa Monica, California 90402

and

McGOVERN CAMPAIGN COMMITTEE
Box 1980
Sioux Falls, South Dakota 57102

Respondents

ANSWER OF MR. CHIP GOODMAN

Mr. Lawrence M. Goodman, III, commonly called Chip
Goodman, by counsel, answers the Complaint filed herein by
Mr. Robert Moore, Executive Director, National Republican
Senatorial Committee, as follows.

30 AUG 14 P 2: 05

GENERAL COUNSEL

MUR #1261

60040224522

I. Respondent admits that Exhibits A and B to the Complaint are a copy of a letter and a copy of a return form as alleged in ¶I, Complaint; denies that said letter and return form "appear to be corporate contributions"; and further denies that said letter and return form, or either of them, in fact are a corporate contribution.

Respondent avers that said Exhibits A and B are photocopies of a letter and of a return form written by Respondent as a personal communication, and specifically and personally marked "PERSONAL", using the stationery of Larry's Food Products, Inc., of which Respondent is an officer, and in part mailed with the postage of Larry's Food Products, Inc., without the authorization of Larry's Food Products, Inc., and for the de minimis costs of preparation of which Larry's Food Products, Inc., has billed the McGovern Campaign Committee.

From time to time Respondent writes personal letters on the stationery of Larry's Food Products, Inc., without advance authorization from Larry's Food Products, Inc. Exhibits A and B are consistent with that practice except that for federal election law purposes the de minimis cost of such letters is to be billed to the beneficiary, which was done in the instant case.

00040224523

II. The allegations set forth in ¶II, Complaint, do not relate to Respondent.

In fact, there is no such entity as the "Child Nutrition Appreciation Reception". That name is the name of an event, not of an entity.

III. The allegations set forth in ¶III, Complaint, do not relate to Respondent.

IV. Respondent denies both the explicit allegation that "said invitation apparently seeks contributions [from corporations]" and the implicit allegation that said invitation actually seeks such contributions.

In fact, said invitation neither solicits, nor appears to solicit, corporate contributions. It is addressed to individuals, not corporations. Exhibit B specifically and pertinently states: "Personal checks only. No corporate checks, please." Further, Exhibit B requires the name, address, occupation and business address of the contributor - information incompatible with a corporate contribution inasmuch as people, not corporations, have occupations.

V. Respondent avers that there is no such thing as "the Federal Election Campaign Finance Act"; the Federal Election Commission has no jurisdiction over alleged "improper"

00040224524

conduct; and in any event Respondent has violated no provision of law.

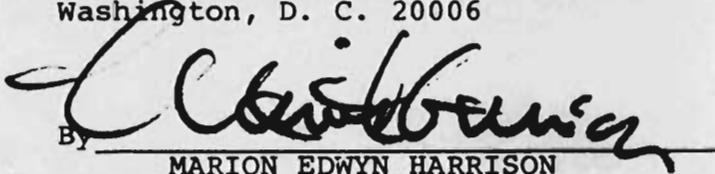
Respondent attaches, and incorporates herein by reference, his affidavit, which fully details the facts giving rise to the mailing of Exhibits A and B, including background which may be helpful to the Federal Election Commission.

It is clear that Respondent's activities of which Complainant complains are the lawful activities of an individual citizen volunteering his services for a political campaign, acting as an unpaid agent of a campaign committee and soliciting named individuals, most of them well known to Respondent, who by virtue of their business are interested in a particular candidacy.

Prayer

WHEREFORE, premises considered, the Federal Election Commission forthwith should close the file with respect to Respondent Mr. Chip Goodman in MUR #1261.

BARNETT, ALAGIA & CAREY
Ninth Floor
1627 K Street, N.W.
Washington, D. C. 20006

By 
MARION EDWYN HARRISON

August 14, 1980

00040024525

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AFFIDAVIT OF CHIP GOODMAN

I, Chip Goodman, being duly sworn, depose and state as follows:

1. I am the Vice President of Larry's Food Products, Inc., a company engaged in providing school food services.

2. In early 1980, I discussed with Marshall Matz, a long-time assistant to Senator George McGovern and currently an attorney in Washington, D.C., the possibility of holding a fund raiser for the Senator's re-election campaign. This fund raiser would be attended by individuals interested in the national school lunch program who supported Senator McGovern and his efforts in the area of child nutrition and hunger.

3. Following my conversations with Mr. Matz, I contacted various individuals to determine whether they would participate in the fund raiser as Program Committee members, who would qualify as such by making a \$1,000 contribution to the McGovern Campaign Committee. The response to my invitation was excellent.

4. Following these initial contacts, Marshall Matz and I together with various prospective members of our Program Committee, visited Senator McGovern, presented the outline for our proposed fund raiser, and sought his advice and approval. Senator McGovern gave us his permission to proceed with the arrangements for this fund raiser on behalf of his campaign committee.

5. With the assistance of Mr. Matz and other interested individuals, it was determined that the most favorable locale and time for a successful fund raiser would be Kansas City, Missouri, during the American School Food Service Association

Convention in July, 1980, the only national gathering of individuals interested in the national school lunch program. At this convention would be gathered many individuals interested in the national school lunch program who actively follow Senator McGovern's activities in the area of nutrition, and who support his re-election to the United States Senate. Accordingly, beginning in March and April, 1980, I acted as agent of the McGovern Campaign Committee in preparing invitations to a fund raiser in Kansas City on July 22.

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(b) Various political action committees (PACs);

(c) Individuals associated with the various state school food service programs, including the so-called "top 100" consisting of school food service directors in the major cities; and

(d) Individuals known to me to be interested in child nutrition legislation.

7. Following these invitations, I proceeded to assist the McGovern Campaign Committee with all necessary arrangements

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for the fund raiser, with Mr. Matz acting in an advisory capacity. In making these arrangements, we were constantly mindful of the requirements of the Federal Election Campaign Act of 1971, as amended, and to this end, we consulted experienced counsel in the field in Washington, D. C.

8. All proceeds received from the fund raiser were deposited in an account of the McGovern Campaign Committee. All bills for expenses, such as the expense of printing invitations and of renting a room for the reception at the Radisson-Muehlebech Hotel in Kansas City, have been forwarded to the McGovern Campaign Committee for payment.

9. In his complaint, Robert Moore of the National Republican Senatorial Committee refers to, and attaches, a solicitation signed by me on Larry's Food Products, Inc. stationary. This letter was never intended to constitute an endorsement by Larry's Food Products, Inc. of the McGovern fund raiser. The letter was clearly marked "personal" and was directed to individuals and PACs only. Moreover, the McGovern Campaign Committee has been billed by, and will reimburse, Larry's Food Products, Inc. for each piece of stationary used, including postage. Finally, complainant Moore relies on the language of that letter, and specifically a reference to "25 companies to be represented" at the fund raiser, in alleging improper corporate involvement in this fund raiser. This language was by no means intended to suggest, nor should it be read to suggest, that food service or any other companies endorsed or otherwise supported this event.

10. The invitations prepared for this fund raising event stated clearly that no corporate checks would be

accepted, and in those few instances where corporate checks were received by the McGovern Campaign Committee, the checks were promptly returned.

11. At all times, in organizing this fund raiser, I acted as an individual agent for the McGovern Campaign Committee with that Committee's express approval and cooperation.

DATED: August 8, 1980

Chip Goodman
Lawrence M. ("Chip") Goodman, III

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

On this 8th day of August in the year 1980, before me, the undersigned, a Notary Public in and for said County and State, personally appeared CHIP GOODMAN, known to me to be the person whose name is subscribed to the within instrument, and acknowledge under oath that he executed the same.



Estella M. Brown
Notary Public

(Seal)

30040224530

BARNETT, ALAGIA & CAREY

1627 K STREET, N.W.
WASHINGTON, D.C. 20006

DELIVERED BY HAND

Charles N. Steele, Esquire

General Counsel

Federal Election Commission

1325 K Street, N.W.

Washington, D. C. 20463

60040024531

BARNETT, ALAGIA & CAREY
1627 K STREET, N.W.
WASHINGTON, D.C. 20006

DELIVERED BY HAND

Ms. Maura White
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

President
MARY M. NIX
Director, School Food and Nutrition Program
Cobb County Board of Education
P.O. Box 1088
Marietta, Georgia 30061

President-elect
GERTRUDE APPELBAUM
Director, Department of Food Services
Corpus Christi Independent School District
Belton Street
Corpus Christi, Texas 78416

Secretary
GLADYS WATHAN
Food Service Director for
Cedar Rapids Community Schools
348 Second Street S.W.
Cedar Rapids, Iowa 52404

Treasurer
RAYMOND D. BARKSDALE
Supervisor, School Services
P.O. Box 1308
Columbus, Mississippi 39201

REGIONAL DIRECTORS

Southeast Region
BARBARA H. WATTS
Director, School Food Service
Columbia County
3103 Tribble Street
Lake City, Florida 32066

Midwest Region
DONNA DONOVAN
Food Service Director
Loup City Schools
R.R. 2, Box 10A
Loup City, Nebraska 68853

Midwest Region
MARTHA HILL
Regional Coordinator
Child Nutrition Programs
233 Riverside Drive
Madison, West Virginia 25130

West Region
PAULA BARLETTA
Director, Food Service
Yuma School District #1
460 Sixth Street
Yuma, Arizona 85364

Northeast Region
THELMA BECKER
Director of Food Service
Souderton Area School District
138 Harleysville Pike
Souderton, Pennsylvania 18964

Northwest Region
DOROTHY FINCH
Food Service Director
Grandview School District
Box 10
Grandview, Washington 98940

Southeast Region
HEXBER HOLLIDAY
Executive Director
Houston Independent School District
2000 Lyons Avenue
Houston, Texas 77020

SECTION CHAIRMEN

Single Unit Personnel
LAURA ANSON
Catering Manager-High School
Portland School District
501 North Dixon
Portland, Oregon 97227

College Personnel
DR. PENELOPE S. EASTON
Chairman and Professor
Dietetics and Nutrition
Florida International University
Miami, Florida 33199

Major City Directors and Supervisors
RUTH ROBERTSON
School Food Service Director
P.O. Box 79041
Raleigh, North Carolina 27611

District Directors and Supervisors
GAIL L. WEBSTER
Director, Food Services
Midwest City, The City Public Schools
P.O. Box 10830
Midwest City, Oklahoma 73140

State Directors and Supervisors
DANIEL WISOTZKEY
Executive Director
Child Nutrition/Traffic Safety
Colorado State Department of Education
201 East Colfax Avenue
Denver, Colorado 80203

american school food service association

address reply to:

4101 East Iliff Ave.
Denver, Colo. 80222

909584

August 8, 1980

Charles N. Steele
General Council
Federal Election Commission
Washington, D.C. 20463

Re: MVR 1261

Dear Sir:

In response to your note of 7/24/80 (MVR 1261), I wish to inform you on behalf of the American School Food Service Association that the association had no involvement whatsoever in the fund-raiser for Senator George McGovern.

A sworn statement by me to this effect has been provided to the McGovern Campaign Committee and will be attached to that committee's submission in this matter and constitutes the full response of this association.

Sincerely,

John D. Moseley
John D. Moseley, Ed.D.
Executive Director

JDM/pd

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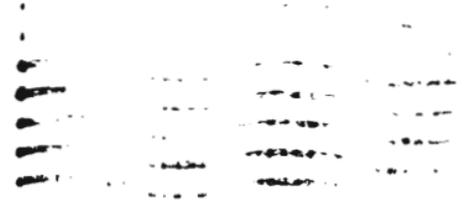
headquarters: 4101 east iliff avenue, denver, colorado 80222
(800) 525-8575 or (303) 757-8555

80040224532

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american school food service association
4101 east iliff, denver, colorado 80222

Charles N. Steele
General Council
Federal Election Commission
Washington, D.C. 20463



909/890

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COFF 2233

'80 AUG 6 PM 12:20

LAW OFFICES
ROBERT F. BAUER
SUITE 408
1101 SEVENTEENTH STREET, N.W.
WASHINGTON, D.C. 20036

(202) 296-0555

August 5, 1980

Ms. Maura White
Office of General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

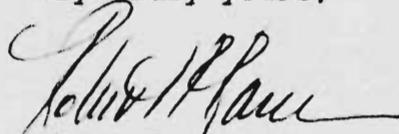
RE: MUR 1261

Dear Ms. White:

This letter confirms that I am authorized to represent the McGovern Campaign Committee in the above captioned matter.

I also wish to confirm through this letter that we have agreed that the McGovern Committee will have until August 15, 1980, to demonstrate that no action should be taken against it in this matter.

Very truly yours,


Robert F. Bauer

RFB:peg

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RECEIVED
AUG 6 1980

ROBERT F. BAUER

SUITE 406

1101 SEVENTEENTH STREET, N.W.

WASHINGTON, D.C. 20036

0004022433



ALWAYS USE
ZIP CODE



Ms. Maura White
Office of General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

80 AUG 6 PM 12:20

RECEIVED

600# 2184

RECEIVED

'80 AUG 4 AM 9:52



Larry's Food Products, Inc.,

14725 South Broadway Street,

P.O. Box 2049

Gardena, California 90248

(213) 770-0121

Lawrence M. Goodman, Jr. Pres.

July 30, 1980

Ms. Maura White
Staff Member
FEDERAL ELECTION COMMISSION
Washington, D.C. 20463

Re: MUR 1261

Dear Ms. White:

Please be advised that Marshall Matz, associated with the law firm of Barnett, Alagia and Carey, 1627 K Street NW, Suite 900, Washington, D.C. 20006, will be representing Larry's Food Products, Inc., Mr. Chip Goodman, and the Child Nutrition Appreciation Reception in all matters pertaining to this case.

Mr. Matz is authorized to receive any notifications and/or other communications from the Commission.

Yours very truly,

LARRY'S FOOD PRODUCTS, INC.

Lawrence M. Goodman, Jr.
President

LMG/ksc

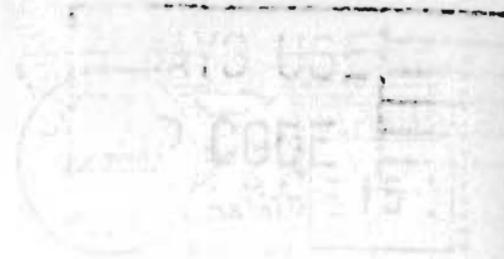
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Larry's Food Products Inc.,
14725 South Broadway Street,
P.O. Box 2049
Gardena, California 90248



Occ

Ms. Maura White
Staff Member
FEDERAL ELECTION COMMISSION
Washington, D.C. 20463

AUG 12 4 AM 9:52

RECEIVED



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 31, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

George Cunningham
Office of Senator George McGovern
4239 Dirksen Senate Office Building
Washington, D.C.

Re: MUR 1261

Dear Mr. Cunningham:

Enclosed please find, as requested by telephone on July 29, 1980, a copy of the letter notifying the McGovern Campaign Committee that a complaint had been filed with the Commission alleging that the committee may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). Please note that a copy of the complaint has been enclosed with the letter.

If you have any questions please contact Maura White, the staff member assigned to this matter, at 202-523-4060.

Sincerely,

Charles N. Steele
General Counsel

Enclosure

80040224538

REGISTERED MAIL REGISTERED NO. 99579 CERTIFIED NO. 99579 INSURED NO. 99579		DATE OF DELIVERY AUG 1 1980 STATION 22 POST OFFICE WASHINGTON, D.C.
REGISTERED NO. 99579 CERTIFIED NO. 99579 INSURED NO. 99579		
ARTICLE DESCRIPTION ARTICLE REFERRED TO: George Cunningham Office of Senator George McGovern 4239 Dirksen S.O.B. D.C.		
SIGNATURE C. Steele		
ADDRESS (Recipient only if registered) George Cunningham 4239 Dirksen Senate Office Building Washington, D.C.		
RETURN RECEIPT REQUESTED <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		

PS Form 3811, Jan. 1979

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

MW 1261 \$1.00 1978-200-000



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 24, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

McGovern Campaign Committee
P.O. Box 1980
Sioux Falls, South Dakota 57102

Re: MUR 1261

Dear Sir or Madam:

This letter is to notify you that on July 21, 1980, the Federal Election Commission received a complaint which alleges that your Committee may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act") or Chapters 95 and 96 of Title 26, U.S. Code. A copy of this complaint is enclosed. We have numbered this matter MUR 1261. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate, in writing, that no action should be taken against your Committee in connection with this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you intend to be represented by counsel in this matter, please advise the Commission by sending a letter of representation stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

00040024530

If you have any questions, please contact Maura White, the staff member assigned to this matter at (202) 523-4060. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Charles N. Steele
Charles N. Steele
General Counsel

Enclosure

- 1. Complaint
- 2. Procedures

00040224540

SEND: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.	
1. The following service is requested (check one.) <input type="checkbox"/> Show to whom and date delivered..... <input type="checkbox"/> Show to whom, date and address of delivery..... <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered..... <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery 3.....	
(CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: <i>McGovern Campaign Committee</i>	
3. ARTICLE DESCRIPTION: REGISTERED NO. <i>945609</i> INSURED NO.	4. I have received the article described above. SIGNATURE: <i>[Signature]</i> DATE OF DELIVERY: <i>[Date]</i>
5. ADDRESS (Complete only if registered or insured) <i>700 00</i>	
6. RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL	

Form 3811, Jan. 1978

JUL 29 1980

POSTAL SERVICE

ROOM RECEIVED



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 24, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Child Nutrition Appreciation
Reception
c/o Chip Goodman
425 Marguerita
Santa Monica, California 90402

Re: MUR 1261

Dear Sir or Madam:

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This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you intend to be represented by counsel in this matter, please advise the Commission by sending a letter of representation stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

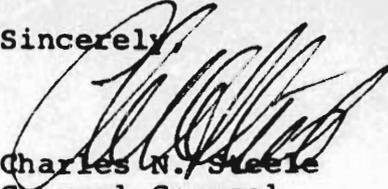
00040024541

Letter to: Child Nutrition Appreciation
ception

Page Two

If you have any questions, please contact Maura White, the staff member assigned to this matter at (202) 523-4060. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,


Charles N. Steele
General Counsel

Enclosure

1. Complaint
2. Procedures

0004022454

7/24/12 *White*

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

1. The following services are 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. S.....

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
*Child Nutrition Appreciation -
Action Reception*

3. ARTICLE DESCRIPTION: REGISTERED NO. INSURED NO.
8025 n D

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

4. DATE OF DELIVERY POSTMARK
20 AUG 4 PM 12:00

5. ADDRESS COMPLETE ONLY IF NECESSARY

6. UNABLE TO DELIVER REASON: _____

CLERK'S INITIALS

7. NO. : 523-25-000

75 Form 3871, Jan. 1978 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

RECEIVED



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 24, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Chip Goodman
425 Marguerita
Santa Monica, California 90402

Re: MUR 1261

Dear Mr. Goodman:

This letter is to notify you that on July 21, 1980, the Federal Election Commission received a complaint which alleges that your Committee may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act") or Chapters 95 and 96 of Title 26, U.S. Code. A copy of this complaint is enclosed. We have numbered this matter MUR 1261. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate, in writing, that no action should be taken against your Committee in connection with this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

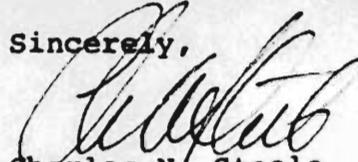
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you intend to be represented by counsel in this matter, please advise the Commission by sending a letter of representation stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

004024543

If you have any questions, please contact Maura White, the staff member assigned to this matter at (202) 523-4060. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,



Charles N. Steele
General Counsel

Enclosure

1. Complaint
2. Procedures

80040224544

Mae 1261 White

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.) <input type="checkbox"/> Show to whom and date delivered..... <input type="checkbox"/> Show to whom, date and address of delivery..... <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered..... <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery.....	
(CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: <i>Chip Goodman</i>	
3. ARTICLE DESCRIPTION: REGISTERED NO. <i>15095hb</i> CERTIFIED BY INSURED NO.	4. I have received the article described above. SIGNATURE <i>Hortencia Polanco</i> DATE OF DELIVERY
5. ADDRESS (complete only if recipient is different from addressee)	
6. NAME TO DELIVER MESSAGE	

PS Form 3811, Jan. 1978 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL JUN 29 1980 SANTA MARIANA



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 24, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

American School Fund Service
Association
4101 E. Iliff Avenue
Denver, Colorado 80222

Re: MUR 1261

Dear Sir or Madam:

This letter is to notify you that on July 21, 1980, the Federal Election Commission received a complaint which alleges that your Committee may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act") or Chapters 95 and 96 of Title 26, U.S. Code. A copy of this complaint is enclosed. We have numbered this matter MUR 1261. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate, in writing, that no action should be taken against your Committee in connection with this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you intend to be represented by counsel in this matter, please advise the Commission by sending a letter of representation stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

80040021543



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 24, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert Moore
Executive Director
National Republican Senatorial
Committee
227 Massachusetts Avenue, N.E.
Washington, D.C. 20001

Dear Mr. Moore:

This letter is to acknowledge receipt of your complaint of July 21, 1980, against Larry's Food Products, Inc., Chip Goodman, Child Nutrition Appreciation Reception, and McGovern Campaign Committee which alleges violations of the Federal Election Campaign laws. A staff member has been assigned to analyze your allegations. The respondents will be notified of this complaint within 5 days and a recommendation to the Federal Election Commission as to how this matter should be initially handled will be made 15 days after the respondents' notification. You will be notified as soon as the Commission takes final action on your complaint. Should you have or receive any additional information in this matter, please forward it to this office. For your information, the Commission's

1261 White

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.) <input type="checkbox"/> Show to whom and date delivered..... <input type="checkbox"/> Show to whom, date and address of delivery..... <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered..... <input type="checkbox"/> RESTRICTED DELIVERY. <input type="checkbox"/> Show to whom, date, and address of delivery. 3	
(CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: <i>Robert Moore National Republican Senatorial Committee</i>	
3. ARTICLE DESCRIPTION REGISTERED NO. <i>075607</i>	INSURED NO.
(Always obtain signature of addressee or agent) I have received the article described above. SIGNATURE <i>Robert Moore</i> ADDRESS <i>Washington, D.C.</i> Cite below agent	
4. APPROXIMATE DATE OF DELIVERY <i>28 JUL 1980</i> POSTMARK	
5. UNABLE TO DELIVER BECAUSE:	
CLERK'S INITIALS	

[Signature]
C. Steele
Counsel

RECEIVED



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 24, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Larry's Food Products, Inc.
P.O. Box 2049
Gardena, California 90247

Re: MUR 1261

Dear Sir or Madam:

This letter is to notify you that on July 21, 1980, the Federal Election Commission received a complaint which alleges that your Committee may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act") or Chapters 95 and 96 of Title 26, U.S. Code. A copy of this complaint is enclosed. We have numbered this matter MUR 1261. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate, in writing, that no action should be taken against your Committee in connection with this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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If you intend to be represented by counsel in this matter, please advise the Commission by sending a letter of representation stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

00040024543

If you have any questions, please contact Maura White, the staff member assigned to this matter at (202) 523-4060. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

Enclosures

- 1. Complaint
- 2. Procedures

00040224540

53

Mel 1261 White

Complete form 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

1. The following service is requested (check one.) <input type="checkbox"/> Show to whom and date delivered..... <input type="checkbox"/> Show to whom, date and address of delivery..... <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered..... <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery.....		(CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: <i>Larson Food Products, Inc.</i>		3. ARTICLE DESCRIPTION: REGISTERED NO. <i>045604</i> SECURED NO.	
I have received the article described above. SIGNATURE <i>[Signature]</i> DATE OF DELIVERY <i>[Date]</i>		4. POSTAGE PAID BY ADDRESSEE ONLY IF REQUESTED	
5. UNABLE TO DELIVER BECAUSE:		6. RETURN TO SENDER:	

Form 3811, Jan. 1979

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

United States of America

Before The

30 JUL 21 P 4: 54

FEDERAL ELECTION COMMISSION

ROBERT MOORE, EXECUTIVE DIRECTOR :
NATIONAL REPUBLICAN SENATORIAL :
COMMITTEE :
227 Massachusetts Avenue, N.E. :
Washington, D.C. 20001 :

Complainant, :

v. :

LARRY'S FOOD PRODUCTS, INC. :
P.O. Box 2049 :
Gardena, CA 90247 :

and :

CHIP GOODMAN :
425 Marguerita :
Santa Monica, CA 90402 :

Complaint
MUR _____

and :

CHILD NUTRITION APPRECIATION :
RECEPTION :
c/o Chip Goodman :
425 Marguerita :
Santa Monica, CA 90402 :

and :

MCGOVERN CAMPAIGN COMMITTEE :
P.O. Box 1980 :
Sioux Falls, SD 57102 :

Respondents. :

COMPLAINT

Robert Moore, being duly sworn deposes and complains of the above Respondents as follows:

I. That attached hereto (as Exhibits A and B) is a copy of a letter and a copy of a return form received by a person who has been solicited for contribution and whose name will be disclosed to the Commission if necessary; such letter and return form and mailing envelope appear to be corporate contributions as prohibited by 2 U.S.C. 441b.

II. That the fund raising event referred to as the "Child Nutrition Appreciation Reception" is apparently an attempt

to raise funds for use by Senator George McGovern and/or his campaign committee.

III. That neither the "Child Nutrition Appreciation Reception" nor the "American School Food Service Association" is a registered political committee according to records of the Federal Election Commission.

IV. That said invitation apparently seeks contributions from members of a trade association which includes "approximately twenty-five companies" according to the letter invitation.

V. That such fund raising is improper and illegal under the Federal Election Campaign Finance Act and the regulations of the Federal Election Commission.

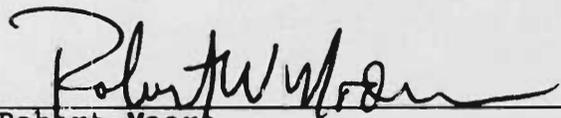
WHEREFORE, Complainant prays:

1. That this Commission find that this event is a willful and knowing violation of the Federal Election Campaign Act.

2. That this Commission prevent the transfer of funds directly or indirectly from such improper fund raising to the McGovern Campaign Committee.

3. That all corporations participating in this event be penalized in accordance with 2 U.S.C. 437g.

4. That the McGovern Campaign Committee refund any and all funds received from such improper fund raiser and if such funds were willfully and knowingly received that appropriate penalties be invoked.


Robert Moore

LARRY'S FOOD PRODUCTS, INC.

EXHIBIT A

CHIP GOODMAN
VICE PRESIDENT MARKETING

PERSONAL

June 25, 1980

*Corporate
John Neal*

I hope you will be able to join me and other important leaders in the food service industry for a salute to Senator George McGovern on Tuesday, July 22, 1980 in Kansas City.

As you know, for years Senator McGovern has been one of the strongest advocates of a sound nutrition policy rooted in viable school food service programs. Our \$10 billion dollar school food service market has matured over the last ten years largely as a result of his commitment. Senator McGovern now faces a tough re-election fight...he needs our help.

The Child Nutrition Appreciation Reception will be held during the American School Food Service Association Conference at the Raddison-Muehlebach Hotel in Kansas City, from 5:30 p.m. to 9:30 p.m. We expect a total of approximately twenty-five companies to be represented. A select group of approximately 100 major city school food service directors, state directors, and state presidents who share our concern will also attend.

Please complete the attached Child Nutrition Appreciation Reception Co-Sponsor Information and return it to me, along with your check, as soon as possible. This affair will be an outstanding opportunity to stand up and be counted when it really counts!

Yours very truly,

LARRY'S FOOD PRODUCTS, INC.

Chip
Chip Goodman
Vice President, Marketing

CG/kc
Attachment



CHILD NUTRITION APPRECIATION RECEPTION
CO-SPONSOR INFORMATION

Yes, I will co-sponsor the Child Nutrition Appreciation Reception. Enclosed is my check for:

___\$250 ___\$500 ___\$1000

I cannot attend but enclosed is my contribution of:

\$ _____

Name _____ Daytime Telephone No. _____

Address _____ City/State/Zip _____

Occupation _____ Firm Name _____

Business Address _____ Business Telephone No. _____

Please make checks payable to the Child Nutrition Appreciation Reception and return to Chip Goodman, 425 Marguerita, Santa Monica, California 90402. Proceeds benefit the McGovern Campaign Committee. Personal checks only. No corporate checks, please.

A copy of the McGovern Campaign Committee report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C. 20463.

80040224551



FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 1261

Date Filmed 12/17/80 Camera No. --- 2

Cameraman APE

0004022455