FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 1451

Date Filmed 10/25/82 Camera No. 1

Cameraman J. A. Q.

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FEDERAL ELECTION COMMISSION

12-day Rpt etc.

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____	(3) Exempted by other statute	____	(8) Banking Information
____	(4) Trade secrets and commercial or financial information	____	(9) Well Information (geographic or geophysical)
✓	(5) Internal Documents		

Signed Michael S. Dynelly

date September 9, 1985

FEC 9-21-77

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FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 1451

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Ccc# 8387
82 SEP 2 P2:05

KIRKPATRICK, LOCKHART, HILL, CHRISTOPHER & PHILLIPS

A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

1900 M STREET, N. W.

WASHINGTON, D. C. 20036

TELEPHONE (202) 452-7000
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TELEX 440200 HIPH UI
WRITER'S DIRECT DIAL NUMBER
(202) 452-8387

IN PITTSBURGH
KIRKPATRICK, LOCKHART, JOHNSON & HUTCHISON
1500 OLIVER BUILDING
PITTSBURGH, PENNSYLVANIA 15222
(412) 355-6500

September 1, 1982

Mr. Kenneth A. Gross
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

RE: MUR 1451

Dear Ken:

Thank you very much for your letter of August 26 relative to the above-referenced MUR. We very much appreciate the manner in which it has been handled by the Commission, and I assure you that in any future campaign, Mr. Carnes and his campaign committee will be more careful.

Thank you for your consideration.

Sincerely,

Michael S. Berman

Michael S. Berman

MSB:rv
cc: Mr. Michael Dymersky

82 SEP 2 P3:37

RECEIVED
GENERAL COUNSEL

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KIRKPATRICK, LOCKHART, HILL, CHRISTOPHER & PHILLIPS
1900 M STREET, N. W.
WASHINGTON, D. C. 20036

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RECEIVED AT THE FEC
82 SEP 2 PM 3:

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

202617

RECEIVED AT THE FEC
Case # 8385
82 SEP 2 P2:06

KIRKPATRICK, LOCKHART, HILL, CHRISTOPHER & PHILLIPS

A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

1900 M STREET, N. W.

WASHINGTON, D. C. 20036

TELEPHONE (202) 452-7000
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KIRKPATRICK, LOCKHART, JOHNSON & HUTCHISON
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PITTSBURGH, PENNSYLVANIA 15222
(412) 355-6500

September 1, 1982

Mr. Kenneth A. Gross
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

82 SEP 2 P3:34
GENERAL COUNSEL

RE: MUR 1451

Dear Ken:

Thank you very much for your letter of August 26 relative to the above-referenced MUR. We very much appreciate the manner in which it has been handled by the Commission, and I assure you that in any future campaign, Mr. Carnes and his campaign committee will be more careful.

Thank you for your consideration.

Sincerely,

Michael S. Berman

Michael S. Berman

MSB:rv
cc: Mr. Michael Dymersky

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KIRKPATRICK, LOCKHART, HILL, CHRISTOPHER & PHILLIPS
1900 M STREET, N. W.
WASHINGTON, D. C. 20036

RECEIVED AT THE FEC
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Mr. Kenneth A. Gross
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 26, 1982

Michael S. Berman, Esquire
Kirkpatrick, Lockhart et al.
1900 M Street, N.W.
Washington, D.C. 20036

RE: MUR 1451
(Carnes for Congress Committee and John Carnes)

Dear Mr. Berman:

On August 24, 1982, the Commission found reason to believe that your clients had violated 2 U.S.C. § 441d, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission asks you to remind your clients that failing to state that certain publications and billboard advertisements were paid for by Carnes For Congress nevertheless appears to be a violation of 2 U.S.C. § 441d and they should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Michael Dymersky at 523-4057.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 26, 1982

John S. Masterman
4005 Central
Kansas City, Missouri 64111

RE: MUR 1451
(Carnes for Congress
and John Carnes)

Dear Mr. Masterman:

This is in reference to the complaint you filed with the Commission dated June 3, 1982, concerning John Carnes and Carnes for Congress ("Respondents").

After reviewing your allegations, respondents' answers and public records, the Commission has determined on August 24, 1982, that there is reason to believe that Carnes for Congress violated 2 U.S.C. § 441d, a provision of the Federal Election Campaign Act of 1971, as amended. However, the Commission decided to take no further action and close the file in this matter. A copy of the First General Counsel's Report upon which these decisions were based is enclosed for your information.

The file in MUR 1451 will be made part of the public record within 30 days. If you have any questions, please contact Michael Dymersky, at (202) 523-4057.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Enclosure
First General Counsel's Report

32040353651

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 8-13-82

MUR NO. 1451
Date Complaint Received
By OGC: June 8, 1982
Date of Notification to
Respondent:
June 9, 1982

SENSITIVE

STAFF MEMBER:
Michael Dymersky

COMPLAINANT'S NAME: John S. Masterman

RESPONDENTS' NAME: John Carnes
Carnes For Congress Committee

RELEVANT STATUTES: 2 U.S.C. §§ 431, 433, 434, 441b, 441d and 441h

INTERNAL REPORTS CHECKED: Quarterly Reports

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

By letter dated June 3, 1982, John S. Masterman ("Complainant") set forth certain allegations against John Carnes and Carnes for Congress Committee ("Respondents") in a sixteen count complaint. Complainant alleges that respondents, as a result of conducting a fundraiser at a movie theater, knowingly and willfully violated 2 U.S.C. § 434(b)(2)(A) by failing to report approximately $42,600 in contributions as well as other in-kind contributions and violated 2 U.S.C. § 441b for failing to

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report a prohibited in-kind contribution from a corporation (for tender of the facility, etc.). Complainant alleges an additional violation of Section 441b for knowingly accepting a contribution from a corporation; a violation of Section 433 for failing to register an authorized committee; a violation of Section 441h for misrepresenting campaign authority; a violation of Section 441d for failing to state that certain publications and billboard advertisements were paid for by respondents; and, a violation of Section 434 for failing to disclose certain expenditure and contribution information.

FACTUAL AND LEGAL ANALYSIS

Complainant's Allegations

Complainant alleges that John Carnes and Carnes for Congress knowingly and willfully violated 2 U.S.C. § 434(b)(2)(A) by failing to report approximately $42,620 in contributions received at a fundraiser held at the Blue Ridge Cinema in Kansas City, Missouri on February 11, 1982. This allegation is based upon a February 25, 1982, newspaper article in the Independence Examiner. Since the Blue Ridge Cinema is owned by a corporation -- Mid-America Cinema Corporation -- complainant alleges an in-kind corporate contribution (for tender of the facility) in the amount of approximately $200, an apparent violation of 2 U.S.C. § 441b, and as respondents reported no such in-kind contribution,

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a further apparent violation of § 434(b)(2)(A). Refreshments were served at the fundraiser, and complainant alleges a failure to report any such contribution thereof. Similarly, since the movie "Mr. Smith Goes to Washington" was shown at the event, and a projectionist was probably used, and neither expenditures or contributions were reported for either, complainant alleges a further failure to report.

Repondent's first quarterly report discloses a contribution from Gold Cross Ambulance in an amount of $200. Complainant alleges that Gold Cross Ambulance is a corporation, and that respondents knew it to be a corporation when accepting the contribution, in violation of 11 C.F.R. § 114.2(c) and 2 U.S.C. § 441b.

Complainant also alleges that respondents failed to register an authorized committee (Consumers for Carnes Committee), which name appears on a mailing, in violation of 2 U.S.C. § 433. This mailing and others state that they were paid for by the State Democratic Committee. A May 13, 1982, Kansas City Times article reports that the Chairman of the State Democratic Committee denies that any payments for such mailings were made, as the Committee currently maintains a posture of strict neutrality

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during the Primary. Therefore the complainant alleges a misrepresentation of campaign authority in violation of 2 U.S.C. § 441h, and a failure to state that the publications were paid in violation of 2 U.S.C. § 441d. Similarly, billboards advocating the election of John Carnes allegedly bear no indication of who paid for them, in violation of 2 U.S.C. § 441d.

The final allegations go to respondents' failure both to indicate the name and address of certain recipients of disbursements, and indicate the occupation and principal place of business of a contributor, in violation of 2 U.S.C. § 434.

Respondents' Answers

Respondents contend that the three paragraph article in the Independence Examiner of February 25, 1982 reporting the Committee's fundraiser at the Blue Ridge Cinema on February 11, 1982 was inaccurate. They contend that although statements were made that there were $42,620 in contributions made during the evening, in fact, some $36,000 of that amount were pledges, and only $6,000 plus was in the form of actual contributions received which were properly itemized on the quarterly report filed by the Committee. Any subsequent contributions resulting from pledges made at this event are supposedly being properly recorded upon receipt, and reported in the appropriate period.

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Respondent's further contend that ordinary business procedures were followed in the transactions between the Committee and Mid-America Cinema Corporation for the use of the Blue Ridge Cinema on the evening of February 11, 1982. All costs associated with the use of one theater of this six-theater complex, including the rental and showing of the film, were purportedly part of a bill in the amount of $200.00 which Mid-America Corporation submitted in the normal course of business to the Committee. Respondents maintain that this bill was paid by the Committee in April and is properly reported in the report for the second quarter. They suggest in addition, that this event was scheduled on a Thursday evening, which is a slow night commercially for the theater.

Finally, Respondents contend that all costs for refreshments at this event, i.e., wine and cheese, were billed to the Committee during the second quarter of 1982 and payment of the debt is properly reported in the report for this period.

As to the $200 contribution from Gold Cross Ambulance, Inc., respondents suggest that before the receipt of the complaint from the Commission, the Committee determined that the contribution which was reported as being derived from "Gold Cross Amb." was from a prohibited source and refunded the contribution. The report for the second quarter reflects this refund.

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Respondents contend that Consumers for Carnes is a subgroup of the Carnes for Congress Committee ("the Committee"), "used only to identify the candidate's emphasis and commitment to consumer and marketplace issues;" and that this group is not an authorized committee. In fact, they maintain that it is not a political committee as it accepts no contributions and makes no expenditures. All mailings using the name "Consumers for Carnes" were allegedly paid for by the Committee, and any contributions which may result from these mailings are accepted by the Committee and deposited in its account. Respondents suggest that since this group (Consumers for Carnes) does not meet the definition of a political committee contained in 2 U.S.C. § 431(4), it is not required to register under 2 U.S.C. § 433, as alleged by complainant.

In response to complainant's allegation that certain campaign mailings which contained a disclaimer stating "paid for by the State Democratic Committee" violated 2 U.S.C. § 441h(1) because "none of the printings was paid for by the State Democratic Committee," respondents contend that the section of the law cited is inapplicable to the facts alleged.

Respondents assert that each piece of literature referred to in the complaint did correctly state that the literature was "authorized by the Carnes for Congress Committee." The literature also contained the language "Paid for by the State

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Democratic Committee." They explain that this language was initially placed on the literature because of a suggestion from the State Democratic Party Chairman, Mr. Pat Lea. The specific language was supposedly received from the Executive Secretary of the Missouri Democratic Party, Mr. Thomas Perl.

Respondents explain further that in January, 1982, the candidate and a supporter (Luva Vaughn) met with the Chairman of the Jackson County Democratic Party (Archie McGee), the Chairman of the Lafayette County Democratic Party (Steve Gates), and the State Democratic Party Chairman (Pat Lea). Apparently, Mr. Lea indicated to all those present that he had a means to save money for all of the Democratic Party candidates for Congress in the Fifth Congressional District. He purportedly stated further that the state party would offer its reduced bulk mailing rate to all the Democratic candidates. Mr. Lea allegedly instructed the candidate, who was receptive to the idea and intended to utilize the offer, to obtain the necessary disclaimer language from the Executive Secretary, Tom Perl. Respondents assert that the candidate did obtain the disclaimer language from Mr. Perl and instructed the printer to include it on the literature. After approximately 300,000 pieces of literature had been printed and stuffed into 62,000 envelopes, a representative of the Committee called the state party office in Jefferson City to inform them of

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the impending delivery of the literature for mailing. At this point, Respondents were supposedly informed that the state party's bulk mailing rate was not available. Since substantial sums were expended for the printing of the literature, Luva Vaughn called the State Party Chairman, Pat Lea, to remind him of the January conversation and the large expenditure of time (approximately a thousand person hours) and money in the preparation of this mailing. Mr. Lea, nonetheless, stated that the reduced mailing rate would not be available to the Committee.

Respondents assert that because of the time constraints involved, and the large commitment of Committee funds and energy already expended on this effort, it was decided to proceed with the mailing utilizing conventional bulk mailing stamps (which were placed on the envelopes) after receiving assurances from the State Party Chairman, Mr. Lea, that he would issue a press release explaining the situation regarding the disclaimer and exonerating the candidate. Either the press release was never issued, or it was not publicized. Respondents admit that these mailings were authorized by the Committee, prepared at the Committee's expense, and mailed by the Committee at its expense.

With respect to the related issue of no disclaimers on billboards, Respondents state that the Committee has prepared appropriate decal disclaimers, in conformance with the

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requirements of 2 U.S.C. § 441d, which have been placed on the four billboards at the locations specified by complainant. These decals are also being placed on all other similar billboards on which the disclaimer may have been omitted. Respondents have agreed to supply photographic evidence of the placement of the disclaimers if necessary.

Finally, as to the allegation of insufficient expenditure and contributor information in the first Quarterly report, Respondents' assert that additional information on the pertinent entries has been obtained and that appropriate amendments have been mailed to the Commission. The amendments have been made part of the public record. In addition, the General Counsel has received an affidavit from the candidate that a certain disbursement was made to him as a reimbursement.

Legal Analysis

Respondents' explanations and documentation offered in support of their contentions as to the fundraiser at the Blue Ridge Cinema appear reasonable and suggest that there is insufficient reason to believe that a violation of Section 434(b)(2)(A) occurred with respect to the fundraiser, knowingly and willfully or otherwise. Respondents appear to be reporting the contributions as they are actually received. Similarly, there is no reason to believe that respondents violated Section

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441b by knowingly accepting prohibited in-kind contributions from Mid-America Cinema Corporation. The fee assessments appear to be reasonable for the time and day of the week of the event, and, in responding to the bill received from the corporation, respondents have reported prompt payment in their second quarterly report.

As to the $200 contribution from Gold Cross Ambulance, Inc., it appears that when respondents discovered the contribution's prohibited source, they promptly refunded it. The contribution was received on January 2, 1982, and the prohibited nature of the contribution was discovered "sometime before" respondents received a copy of the complaint from the Commission (July 4, 1982). The General Counsel feels that no action should be taken against Gold Cross Ambulance, Inc. due to the small amount and the fact that the contribution was returned by respondents.

The alleged violation of 2 U.S.C. § 433 appears to be without merit. The statement on the mailing conducted by Consumers for Carnes Committee appears to indicate only that the mailing has authorized by respondents. It is probable that Consumers for Carnes did not file a statement of organization because they have not yet received or expended $1,000. Moreover, there is no requirement that respondents file a statement of

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organization for an authorized committee, such responsibility falling upon the authorized committee itself. In this regard, respondents have asserted on behalf of Consumers for Carnes Committee that the latter is not a political committee under the definition at Section 431(4).

As to the charge of fraudulent misrepresentation of campaign authority, it is clear that the statute requires not only fraudulent misrepresentation of campaign authority, but that the fraudulent misrepresentation be "damaging" to the misrepresented party. It is not clear from the complaint that such damage was incurred by the State Democratic Committee ("SDC"). An investigation may establish that the requisite damage was indeed incurred by SDC. However, it is likely that only other Democratic candidates were damaged as a result of the pamphlet mailing. Under 2 U.S.C. § 441h(1), the truth or falsity of the statement made is not relevant; the issue is whether there has been a misrepresentation of authority to speak on another party's behalf. In this instance, after considering the explanation offered by respondents there appears to have been no representation that the Committee was an authorized spokesman for any other party (including the State Democratic Committee) when there was in fact no such authority. Therefore, the General Counsel believes that there is insufficient evidence to support a

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finding of reason to believe as to this allegation, especially in light of respondents' explanation.

However, the pamphlets do give the impression that the costs of printing as well as mailing were born by SDC, when in fact such costs appear to have been born by respondents. Also, by respondents' own admission billboards advocating respondents' election also failed to contain the required statements. Therefore, even though respondents' have taken corrective measures as to the billboards, the General Counsel is recommending that the Commission find reason to believe that respondents violated Section 441d because of their omissions.

Finally, as to the allegations of respondents' failure to indicate the name and address of certain expenditure recipients, as well as to indicate the occupation and employer of a contributor, it is evident from their answers that respondents exercised best efforts to discover and disclose the required information when they requested and received the additional information. Respondents have filed amended reports giving supplementing information for the entries in question.

Recommendations

1) Find no reason to believe that Carnes for Congress Committee violated 2 U.S.C. § 434(b)(2)(A) by failing to report receipts from a fundraiser;

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2) Find no reason to believe that Carnes for Congress Committee violated 2 U.S.C. § 441b by accepting in-kind corporate contributions from Mid-America Cinema Corporation;

3) Find no reason to believe that Carnes for Congress Committee violated 2 U.S.C. § 441b by knowingly accepting a contribution from Gold Cross Ambulance, Inc.;

4) Find no reason to believe that Carnes for Congress Committee violated 2 U.S.C. § 433 by failing to register an authorized committee;

5) Find no reason to believe that Carnes for Congress Committee violated 2 U.S.C. 441h by misrepresenting campaign authority;

6) Find reason to believe that Carnes for Congress Committee violated 2 U.S.C. § 441d by failing to state that certain publications and billboard advertisements were paid for by the committee; and,

7) Find no reason to believe that Carnes for Congress Committee violated 2 U.S.C. § 434 by failing to disclose certain required expenditure and contribution information.

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8) Approve and authorize the attached notification letters.

August 13, 1982
Date

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

Attachments
1) Copy of respondents' answers
2) Copy of respondents' letter, affidavit and bill
3) Proposed letter to Respondents' counsel

32040355368

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

John S. Masterman
4005 Central
Kansas City, Missouri 64111

RE: MUR 1451
(Carnes for Congress
and John Carnes)

Dear Mr. Masterman:

This is in reference to the complaint you filed with the Commission dated June 3, 1982, concerning John Carnes and Carnes for Congress ("Respondents").

After reviewing your allegations, respondents' answers and public records, the Commission has determined on August 24, 1982, that there is reason to believe that Carnes for Congress violated 2 U.S.C. § 441d, a provision of the Federal Election Campaign Act of 1971, as amended. However, the Commission decided to take no further action and close the file in this matter. A copy of the First General Counsel's Report upon which these decisions were based is enclosed for your information.

The file in MUR 1451 will be made part of the public record within 30 days. If you have any questions, please contact Michael Dymersky, at (202) 523-4057.

Sincerely,

O.K. AD 8/25

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Enclosure
First General Counsel's Report

32040353567

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Michael S. Berman, Esquire
Kirkpatrick, Lockhart et al.
1900 M Street, N.W.
Washington, D.C. 20036

RE: MUR 1451
(Carnes for Congress Committee and John Carnes)

Dear Mr. Berman:

On August 24, 1982, the Commission found reason to believe that your clients had violated 2 U.S.C. § 441d, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission asks you to remind your clients that failing to state that certain publications and billboard advertisements were paid for by Carnes For Congress nevertheless appears to be a violation of 2 U.S.C. § 441d and they should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Michael Dymersky at 523-4057.

Sincerely,

O.V. 8/25

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

82040355570

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1451
John Carnes	)	
Carnes for Congress Committee	)	

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission Executive Session on August 24, 1982, do hereby certify that the Commission took the following actions in MUR 1451:

1. Decided by a vote of 6-0 to find reason to believe that Carnes for Congress Committee violated 2 U.S.C. §441d by failing to state that certain publications and billboard advertisements were paid for by the committee, and close the entire file in this matter.

   Commissioners Aikens, Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively for the decision.

2. Decided by a vote of 6-0 to

   a) find no reason to believe that Carnes for Congress Committee violated 2 U.S.C. §434(b)(2)(A) by failing to report receipts from a fundraiser;

   b) find no reason to believe that Carnes for Congress Committee violated 2 U.S.C. §441b by accepting in-kind corporate contributions from Mid-America Cinema Corporation;

   c) find no reason to believe that Carnes for Congress Committee violated 2 U.S.C. §441b by knowingly accepting a contribution from Gold Cross Ambulance, Inc.;

   d) find no reason to believe that Carnes for Congress Committee violated 2 U.S.C. §433 by failing to register an authorized committee;

   e) find no reason to believe that Carnes for Congress Committee violated 2 U.S.C. §441h by misrepresenting campaign authority;

(Continued)

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f) find no reason to believe that Carnes for Congress Committee violated 2 U.S.C. §434 by failing to disclose certain required expenditure and contribution information.

g) authorize the Office of General Counsel to send appropriate letters pursuant to the decisions made with respect to MUR 1451 this date.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively for the decision.

Attest:

8-24-82
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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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 8-13-82

MUR NO. 1451
Date Complaint Received
By OGC: June 8, 1982
Date of Notification to
Respondent:
June 9, 1982

SENSITIVE

STAFF MEMBER:
Michael Dymersky

COMPLAINANT'S NAME: John S. Masterman

RESPONDENTS' NAME: John Carnes
Carnes For Congress Committee

RELEVANT STATUTES: 2 U.S.C. §§ 431, 433, 434, 441b, 441d and 441h

INTERNAL REPORTS CHECKED: Quarterly Reports

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

By letter dated June 3, 1982, John S. Masterman ("Complainant") set forth certain allegations against John Carnes and Carnes for Congress Committee ("Respondents") in a sixteen count complaint. Complainant alleges that respondents, as a result of conducting a fundraiser at a movie theater, knowingly and willfully violated 2 U.S.C. § 434(b)(2)(A) by failing to report approximately $42,600 in contributions as well as other in-kind contributions and violated 2 U.S.C. § 441b for failing to

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report a prohibited in-kind contribution from a corporation (for tender of the facility, etc.). Complainant alleges an additional violation of Section 441b for knowingly accepting a contribution from a corporation; a violation of Section 433 for failing to register an authorized committee; a violation of Section 441h for misrepresenting campaign authority; a violation of Section 441d for failing to state that certain publications and billboard advertisements were paid for by respondents; and, a violation of Section 434 for failing to disclose certain expenditure and contribution information.

FACTUAL AND LEGAL ANALYSIS

Complainant's Allegations

Complainant alleges that John Carnes and Carnes for Congress knowingly and willfully violated 2 U.S.C. § 434(b)(2)(A) by failing to report approximately $42,620 in contributions received at a fundraiser held at the Blue Ridge Cinema in Kansas City, Missouri on February 11, 1982. This allegation is based upon a February 25, 1982, newspaper article in the Independence Examiner. Since the Blue Ridge Cinema is owned by a corporation -- Mid-America Cinema Corporation -- complainant alleges an in-kind corporate contribution (for tender of the facility) in the amount of approximately $200, an apparent violation of 2 U.S.C. § 441b, and as respondents reported no such in-kind contribution,

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a further apparent violation of § 434(b)(2)(A). Refreshments were served at the fundraiser, and complainant alleges a failure to report any such contribution thereof. Similarly, since the movie "Mr. Smith Goes to Washington" was shown at the event, and a projectionist was probably used, and neither expenditures or contributions were reported for either, complainant alleges a further failure to report.

Repondent's first quarterly report discloses a contribution from Gold Cross Ambulance in an amount of $200. Complainant alleges that Gold Cross Ambulance is a corporation, and that respondents knew it to be a corporation when accepting the contribution, in violation of 11 C.F.R. § 114.2(c) and 2 U.S.C. § 441b.

Complainant also alleges that respondents failed to register an authorized committee (Consumers for Carnes Committee), which name appears on a mailing, in violation of 2 U.S.C. § 433. This mailing and others state that they were paid for by the State Democratic Committee. A May 13, 1982, Kansas City Times article reports that the Chairman of the State Democratic Committee denies that any payments for such mailings were made, as the Committee currently maintains a posture of strict neutrality

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during the Primary. Therefore the complainant alleges a misrepresentation of campaign authority in violation of 2 U.S.C. § 441h, and a failure to state that the publications were paid in violation of 2 U.S.C. § 441d. Similarly, billboards advocating the election of John Carnes allegedly bear no indication of who paid for them, in violation of 2 U.S.C. § 441d.

The final allegations go to respondents' failure both to indicate the name and address of certain recipients of disbursements, and indicate the occupation and principal place of business of a contributor, in violation of 2 U.S.C. § 434.

Respondents' Answers

Respondents contend that the three paragraph article in the Independence Examiner of February 25, 1982 reporting the Committee's fundraiser at the Blue Ridge Cinema on February 11, 1982 was inaccurate. They contend that although statements were made that there were $42,620 in contributions made during the evening, in fact, some $36,000 of that amount were pledges, and only $6,000 plus was in the form of actual contributions received which were properly itemized on the quarterly report filed by the Committee. Any subsequent contributions resulting from pledges made at this event are supposedly being properly recorded upon receipt, and reported in the appropriate period.

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Respondent's further contend that ordinary business procedures were followed in the transactions between the Committee and Mid-America Cinema Corporation for the use of the Blue Ridge Cinema on the evening of February 11, 1982. All costs associated with the use of one theater of this six-theater complex, including the rental and showing of the film, were purportedly part of a bill in the amount of $200.00 which Mid-America Corporation submitted in the normal course of business to the Committee. Respondents maintain that this bill was paid by the Committee in April and is properly reported in the report for the second quarter. They suggest in addition, that this event was scheduled on a Thursday evening, which is a slow night commercially for the theater.

Finally, Respondents contend that all costs for refreshments at this event, i.e., wine and cheese, were billed to the Committee during the second quarter of 1982 and payment of the debt is properly reported in the report for this period.

As to the $200 contribution from Gold Cross Ambulance, Inc., respondents suggest that before the receipt of the complaint from the Commission, the Committee determined that the contribution which was reported as being derived from "Gold Cross Amb." was from a prohibited source and refunded the contribution. The report for the second quarter reflects this refund.

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Respondents contend that Consumers for Carnes is a subgroup of the Carnes for Congress Committee ("the Committee"), "used only to identify the candidate's emphasis and commitment to consumer and marketplace issues;" and that this group is not an authorized committee. In fact, they maintain that it is not a political committee as it accepts no contributions and makes no expenditures. All mailings using the name "Consumers for Carnes" were allegedly paid for by the Committee, and any contributions which may result from these mailings are accepted by the Committee and deposited in its account. Respondents suggest that since this group (Consumers for Carnes) does not meet the definition of a political committee contained in 2 U.S.C. § 431(4), it is not required to register under 2 U.S.C. § 433, as alleged by complainant.

In response to complainant's allegation that certain campaign mailings which contained a disclaimer stating "paid for by the State Democratic Committee" violated 2 U.S.C. § 441h(1) because "none of the printings was paid for by the State Democratic Committee," respondents contend that the section of the law cited is inapplicable to the facts alleged.

Respondents assert that each piece of literature referred to in the complaint did correctly state that the literature was "authorized by the Carnes for Congress Committee." The literature also contained the language "Paid for by the State

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Democratic Committee." They explain that this language was initially placed on the literature because of a suggestion from the State Democratic Party Chairman, Mr. Pat Lea. The specific language was supposedly received from the Executive Secretary of the Missouri Democratic Party, Mr. Thomas Perl.

Respondents explain further that in January, 1982, the candidate and a supporter (Luva Vaughn) met with the Chairman of the Jackson County Democratic Party (Archie McGee), the Chairman of the Lafayette County Democratic Party (Steve Gates), and the State Democratic Party Chairman (Pat Lea). Apparently, Mr. Lea indicated to all those present that he had a means to save money for all of the Democratic Party candidates for Congress in the Fifth Congressional District. He purportedly stated further that the state party would offer its reduced bulk mailing rate to all the Democratic candidates. Mr. Lea allegedly instructed the candidate, who was receptive to the idea and intended to utilize the offer, to obtain the necessary disclaimer language from the Executive Secretary, Tom Perl. Respondents assert that the candidate did obtain the disclaimer language from Mr. Perl and instructed the printer to include it on the literature. After approximately 300,000 pieces of literature had been printed and stuffed into 62,000 envelopes, a representative of the Committee called the state party office in Jefferson City to inform them of

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the impending delivery of the literature for mailing. At this point, Respondents were supposedly informed that the state party's bulk mailing rate was not available. Since substantial sums were expended for the printing of the literature, Luva Vaughn called the State Party Chairman, Pat Lea, to remind him of the January conversation and the large expenditure of time (approximately a thousand person hours) and money in the preparation of this mailing. Mr. Lea, nonetheless, stated that the reduced mailing rate would not be available to the Committee.

Respondents assert that because of the time constraints involved, and the large commitment of Committee funds and energy already expended on this effort, it was decided to proceed with the mailing utilizing conventional bulk mailing stamps (which were placed on the envelopes) after receiving assurances from the State Party Chairman, Mr. Lea, that he would issue a press release explaining the situation regarding the disclaimer and exonerating the candidate. Either the press release was never issued, or it was not publicized. Respondents admit that these mailings were authorized by the Committee, prepared at the Committee's expense, and mailed by the Committee at its expense.

With respect to the related issue of no disclaimers on billboards, Respondents state that the Committee has prepared appropriate decal disclaimers, in conformance with the

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requirements of 2 U.S.C. § 441d, which have been placed on the four billboards at the locations specified by complainant. These decals are also being placed on all other similar billboards on which the disclaimer may have been omitted. Respondents have agreed to supply photographic evidence of the placement of the disclaimers if necessary.

Finally, as to the allegation of insufficient expenditure and contributor information in the first Quarterly report, Respondents' assert that additional information on the pertinent entries has been obtained and that appropriate amendments have been mailed to the Commission. The amendments have been made part of the public record. In addition, the General Counsel has received an affidavit from the candidate that a certain disbursement was made to him as a reimbursement.

Legal Analysis

Respondents' explanations and documentation offered in support of their contentions as to the fundraiser at the Blue Ridge Cinema appear reasonable and suggest that there is insufficient reason to believe that a violation of Section 434(b)(2)(A) occurred with respect to the fundraiser, knowingly and willfully or otherwise. Respondents appear to be reporting the contributions as they are actually received. Similarly, there is no reason to believe that respondents violated Section

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441b by knowingly accepting prohibited in-kind contributions from Mid-America Cinema Corporation. The fee assessments appear to be reasonable for the time and day of the week of the event, and, in responding to the bill received from the corporation, respondents have reported prompt payment in their second quarterly report.

As to the $200 contribution from Gold Cross Ambulance, Inc., it appears that when respondents discovered the contribution's prohibited source, they promptly refunded it. The contribution was received on January 2, 1982, and the prohibited nature of the contribution was discovered "sometime before" respondents received a copy of the complaint from the Commission (July 4, 1982). The General Counsel feels that no action should be taken against Gold Cross Ambulance, Inc. due to the small amount and the fact that the contribution was returned by respondents.

The alleged violation of 2 U.S.C. § 433 appears to be without merit. The statement on the mailing conducted by Consumers for Carnes Committee appears to indicate only that the mailing has authorized by respondents. It is probable that Consumers for Carnes did not file a statement of organization because they have not yet received or expended $1,000. Moreover, there is no requirement that respondents file a statement of

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organization for an authorized committee, such responsibility falling upon the authorized committee itself. In this regard, respondents have asserted on behalf of Consumers for Carnes Committee that the latter is not a political committee under the definition at Section 431(4).

As to the charge of fraudulent misrepresentation of campaign authority, it is clear that the statute requires not only fraudulent misrepresentation of campaign authority, but that the fraudulent misrepresentation be "damaging" to the misrepresented party. It is not clear from the complaint that such damage was incurred by the State Democratic Committee ("SDC"). An investigation may establish that the requisite damage was indeed incurred by SDC. However, it is likely that only other Democratic candidates were damaged as a result of the pamphlet mailing. Under 2 U.S.C. § 441h(1), the truth or falsity of the statement made is not relevant; the issue is whether there has been a misrepresentation of authority to speak on another party's behalf. In this instance, after considering the explanation offered by respondents there appears to have been no representation that the Committee was an authorized spokesman for any other party (including the State Democratic Committee) when there was in fact no such authority. Therefore, the General Counsel believes that there is insufficient evidence to support a

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finding of reason to believe as to this allegation, especially in light of respondents' explanation.

However, the pamphlets do give the impression that the costs of printing as well as mailing were born by SDC, when in fact such costs appear to have been born by respondents. Also, by respondents' own admission billboards advocating respondents' election also failed to contain the required statements. Therefore, even though respondents' have taken corrective measures as to the billboards, the General Counsel is recommending that the Commission find reason to believe that respondents violated Section 441d because of their omissions.

Finally, as to the allegations of respondents' failure to indicate the name and address of certain expenditure recipients, as well as to indicate the occupation and employer of a contributor, it is evident from their answers that respondents exercised best efforts to discover and disclose the required information when they requested and received the additional information. Respondents have filed amended reports giving supplementing information for the entries in question.

Recommendations

1) Find no reason to believe that Carnes for Congress Committee violated 2 U.S.C. § 434(b)(2)(A) by failing to report receipts from a fundraiser;

2) Find no reason to believe that Carnes for Congress Committee violated 2 U.S.C. § 441b by accepting in-kind corporate contributions from Mid-America Cinema Corporation;

3) Find no reason to believe that Carnes for Congress Committee violated 2 U.S.C. § 441b by knowingly accepting a contribution from Gold Cross Ambulance, Inc.;

4) Find no reason to believe that Carnes for Congress Committee violated 2 U.S.C. § 433 by failing to register an authorized committee;

5) Find no reason to believe that Carnes for Congress Committee violated 2 U.S.C. 441h by misrepresenting campaign authority;

6) Find reason to believe that Carnes for Congress Committee violated 2 U.S.C. § 441d by failing to state that certain publications and billboard advertisements were paid for by the committee; and,

7) Find no reason to believe that Carnes for Congress Committee violated 2 U.S.C. § 434 by failing to disclose certain required expenditure and contribution information.

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8) Approve and authorize the attached notification letters.

August 13, 1982
Date

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Attachments
1) Copy of respondents' answers
2) Copy of respondents' letter, affidavit and bill
3) Proposed letter to Respondents' counsel

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KIRKPATRICK, LOCKHART, HILL, CHRISTOPHER & PHILLIPS

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TELEX 440600 KLPH UI
WRITER'S DIRECT DIAL NUMBER
(202) 452-8387

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82 JUL 1 A10:48
FEDERAL ELECTION COMMISSION
GENERAL COUNSEL

BY MESSENGER

June 30, 1982

Mr. Kenneth A. Gross
Associate General Counsel
Office of General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

RE: MUR 1451
Attention: Michael Dymersky

Dear Mr. Gross:

On behalf of John Carnes and the Carnes for Congress Committee, I am responding to your letter of June 9, 1982 in which they were notified of a complaint filed with the Commission alleging certain violations of the Federal Election Campaign Act of 1971, as amended.

With regard to the sixteen specific counts alleged in the complaint, Mr. Carnes and the Carnes Committee make the following response:

Counts 1-6: The three paragraph article in The Examiner of February 25, 1982 reporting the Committee's fundraiser at the Blue Ridge Cinema on February 11, 1982 resulted from a lack of clarity in the passage of information about the event to the reporter who wrote the story. Although statements were made that there were $42,620 in contributions from the evening, in fact, some $36,000 of that amount were pledges, and only $6,000 plus was in the form of actual contributions received which were properly itemized on the quarterly report filed by the Committee. Any subsequent contributions resulting from pledges made at this event are being properly recorded upon receipt, and reported in the appropriate period.

Likewise, ordinary business procedures were followed in the transactions between the Committee and Mid-America

Attachment I — (1)

Cinema Corporation for the use of the Blue Ridge Cinema on the evening of February 11, 1982. All costs associated with the use of one theater of this six-theater complex, including the rental and showing of the film, were part of a bill in the amount of $200.00 which Mid-America submitted in the normal course to the Committee. This bill was paid by the Committee in April and will be properly reported in the report for the second quarter. Incidentally, this event was scheduled on a Thursday evening, which is a slow night commercially for the theater.

In addition, all costs for refreshments at this event, i.e., wine and cheese, were billed to the Committee during the second quarter of 1982 and payment of the debt will be properly reported in the report for this period.

Count 7: Before the receipt of this complaint from the Commission, the Committee determined that the contribution which was reported as from "Gold Cross Amb." was from a prohibited source and refunded the contribution. An appropriate entry will reflect this refund in the report for the second quarter.

Count 8: Consumers for Carnes is a subgroup of the Committee used only to identify the candidate's emphasis and commitment to consumer and marketplace issues. This group is not an authorized committee. In fact, it is not a "political committee" as it accepts no contributions and makes no expenditures. All mailings using the name "Consumers for Carnes" were paid for by the Committee, and any contributions which may result from these mailings are accepted by the Committee and deposited in its account. Since this group does not meet the definition of a political committee contained in 2 U.S.C. §431(4), it is not required to register under 2 U.S.C. §433, as alleged by complainant in this Count.

Counts 9-10: In Count 9, Complainant alleges that certain campaign mailings, which contained a disclaimer stating "paid for by the State Democratic Committee" violated 2 U.S.C. §441h(1) because "none of the printings was paid for by the State Democratic Committee."

The section of the law cited is inapplicable to the facts alleged. Under 2 U.S.C. §441h(1), the truth or falsity

Attachment I - (2)

of the statement made is not relevant; the issue is whether there has been a misrepresentation of authority to speak on another party's behalf, and whether, as a result of such misrepresentation, there has been direct damage to that same other party. In this instance, there has been no misrepresentation that the Committee is speaking for any other party (including the State Democratic Committee); even if it could be shown that there was a claim of authority to speak on behalf of the State Democratic Committee, any damage claimed as a result of this action is personal to the State Democratic Committee and must be claimed by the misrepresented party in order for there to be a violation. Such is not the case in this matter.

Each piece of literature referred to in the complaint did correctly state that the literature was authorized by the Carnes for Congress Committee. The literature also contained the language "Paid for by the State Democratic Committee." This language was initially placed on the literature because of a suggestion from the State Democratic Party Chairman, Mr. Pat Lea. The specific language was received from the Executive Secretary of the Missouri Democratic Party, Mr. Thomas Perl.

In January, 1982, the candidate and a supporter (Luva Vaughn) met with the Chairman of the Jackson County Democratic Party (Archie McGee), the Chairman of the Lafayette County Democratic Party (Steve Gates), and the State Democratic Party Chairman (Pat Lea). Mr. Lea indicated to all those present that he had a means to save all of the Democratic Party candidates for Congress in the Fifth Congressional District money. He stated that the state party would offer its reduced bulk mailing rate to all the Democratic candidates. Mr. Lea instructed the candidate, who was receptive to the idea and intended to utilize the offer, to obtain the necessary disclaimer language from the Executive Secretary, Tom Perl. The candidate did obtain the disclaimer language from Mr. Perl and instructed the printer to include it on the literature. After approximately 300,000 pieces of literature had been printed and stuffed into 62,000 envelopes, a representative of the Committee called the state party office in Jefferson City to inform them of the impending delivery of the literature for mailing. At this point, the Committee was informed that the state party's bulk mailing rate was not available. Obviously upset after the expenditure of substantial sums for the printing of the literature, Luva Vaughn called the State Party Chairman, Pat Lea, to remind him of the January conversation and the large expenditure of time (approximately a thousand person hours) and money in the preparation of this mailing. Mr. Lea, nonetheless, stated that the reduced mailing rate would not be available to the Committee.

(4)

Because of the time constraints involved, and the large commitment of Committee funds and energy already expended on this effort, it was decided to proceed with the mailing utilizing conventional bulk mailing stemps (which were placed on the envelopes) after receiving assurances from the State Party Chairman, Mr. Lea, that he would issue a press release explaining the situation regarding the disclaimer and exonerating the candidate. Either the press release was never issued, or it was not publicized. In any event, these mailings were authorized by the Committee, prepared at the Committee's expense, and mailed by the Committee at its expense.

Counts 11-13 and 15: All the specific itemized disbursements and receipt entries mentioned in these Counts were identified properly as to person, date, and amount on Schedule B and Schedule A of the referenced quarterly report. Additional information on these particular entries has been obtained by the Committee, and appropriate amendments have been mailed to the Commission as of this date.

Count 14: This entry was a reimbursement by the Committee by check to the Candidate for out-of-pocket travel expenses. The amendment to the quarterly report noted above includes additional information on this entry and the Candidate is forwarding an affidavit regarding the nature of these expenses.

Count 16: The Committee has prepared appropriate decal disclaimers, in conformance with the requirements of 2 U.S.C. §441d, which have been placed on the four billboards at the locations specified in paragraph 7(a)-(d) of the complaint. These decals are also being placed on all other similar billboards on which the disclaimer may have been omitted. Photographic evidence of the placement of the disclaimers can be supplied if necessary.

John Carnes and the Committee appreciate the opportunity to respond to the allegations set forth in the complaint and feel that the foregoing explanation, factual and legal representations, and statement of Committee actions provides the Commission with the demonstration necessary to show that no further action should be taken against the Committee in connection with this matter. Mr. Carnes and the Committee will, of course, be responsive to any further requests which the Commission may direct to them.

Sincerely,

Michael S. Berman

Michael S. Berman
Attorney for Respondent

MSB:rv

Attachment I-(4)

2 7 4 0 3 3 5 9 1

Dymersky

(5)

KIRKPATRICK, LOCKHART, HILL, CHRISTOPHER & PHILLIPS

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1900 M STREET, N. W.

WASHINGTON, D. C. 20036

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PITTSBURGH, PENNSYLVANIA 15222
(412) 355-6500

July 12, 1982

32 JUL 13 P4:46

Mr. Michael Dymersky
Office of General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

RE: MUR 1451

Dear Mike:

I am enclosing two additional items relative to the above-referenced MUR. The first is an Affidavit executed by John Carne relative to the $230.00 reimbursement to him for expenses he incurred while campaigning. The second is a copy of Mid America Cinema Corporation's bill to the Carnes for Congress Committee. As previously noted, Mid America has been paid.

Thank you for your attention.

Sincerely,

Michael S. Berman

MSB:rv
Enclosures

Attachment II - (1)

(6)

AFFIDAVIT

JUL 13 P4:

STATE OF MISSOURI)
)
COUNTY OF JACKSON) ss

Comes now, John Carnes, of lawful age, and being duly sworn upon his oath, states as follows:

1. That a check was issued by the Carnes for Congress Committee on or about March 1, 1982 to me, to reimburse me for certain travel expenses incurred by me in the course of my campaign.

2. That although the expenses together accumulated to the sum of two hundred thirty dollars ($230.00), no single expense exceeded thirty dollars ($30.00).

3. That I used personal funds to pay for these travel expenses with the expectation that when I had accumulated a substantial amount, I would reimburse myself from the campaign account.

4. That I did not obtain receipts for these expenditures and therefore no receipts are available.

FURTHER AFFIANT SAITH NOT.

John Carnes

John Carnes

Subscribed and sworn to before me this 30th day of June, 1982.

C Robert Buckley

Notary Public

C. ROBERT BUCKLEY
NOTARY PUBLIC STATE OF MISSOURI
JACKSON CO
MY COMMISSION EXPIRES MAY 24 1986

Attachment II - (2)

22203553693

(7)

JUL 13 P4:46

STATEMENT

Mid-America Cinema Corporation
11927 E. 40 Highway
Independence, Missouri 64055

March 30 1982

TO Carnes for Congress

ADDRESS

CITY STATE

TERMS

Private Showing at the

Blue Ridge Cinema on

2-11-82 at 8:00 p.m. of

"Mr. Smith Goes to Washington"

Film Rental	150 00
Aud. Rental	50 00
TOTAL	200 00

Attachment II -(3)

8204035369 4

(8)

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Michael S. Berman, Esquire
Kirkpatrick, Lockhart et al.
1900 M Street, N.W.
Washington, D.C. 20036

RE: MUR 1451
(Carnes for Congress Committee
and John Carnes)

Dear Mr. Berman:

The Federal Election Commission notified your clients on June 14, 1982, of a complaint which alleges that your clients had violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint and information supplied by you, the Commission, on August , 1982, determined that there is reason to believe that your clients have violated 2 U.S.C. § 441d by failing to state that certain publications and billboard adverstisements were paid for by the Carnes for Congress Committee.

The Office of General Counsel would like to settle this matter through conciliation prior to a finding of probable cause. However, in the absence of any information which demonstrates that no further action should be taken against your clients, the Office of General Counsel must proceed to the next compliance stage as noted on page 2, paragraph 2 of the enclosed procedures.

Attachment III - (1)

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 have any questions, please contact Michael A. Dymersky, at 523-4057.

Sincerely,

Enclosures
Procedures

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Attachment III - (2)

202951 GCC #8103

KIRKPATRICK, LOCKHART, HILL, CHRISTOPHER & PHILLIPS

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July 12, 1982

82 JUL 13 P4:46

Mr. Michael Dymersky
Office of General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

RE: MUR 1451

Dear Mike:

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Thank you for your attention.

Sincerely,

Michael S. Berman

MSB:rv
Enclosures

82040355697

AFFIDAVIT

STATE OF MISSOURI)
)
COUNTY OF JACKSON) ss

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4. That I did not obtain receipts for these expenditures and therefore no receipts are available.

FURTHER AFFIANT SAITH NOT.

John Carnes

Subscribed and sworn to before me this 30th day of June, 1982.

C Robert Buckley
Notary Public

C. ROBERT BUCKLEY
NOTARY PUBLIC STATE OF MISSOURI
JACKSON CO
MY COMMISSION EXPIRES MAY 24 1986

JUL 13 P4:
RECEIVED
FEC
CORRESPONDENCE
82040355398

JUL 13 P4:46

STATEMENT

FROM Mid-America Cinema Corporation
11927 E. 40 Highway
Independence, Missouri 64055

March 30 1982

TO Carnes for Congress

ADDRESS

CITY STATE

TERMS

Private Showing at the		
Blue Ridge Cinema on		
2-11-82 at 8:00 p.m. of		
"Mr. Smith Goes to Washington"		
Film Rental	150	00
Aud. Rental	50	00
TOTAL	200	00

32040353699

201938 Case #8045

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82 JUL 1 A10:48
GENERAL COUNSEL

BY MESSENGER

June 30, 1982

Mr. Kenneth A. Gross
Associate General Counsel
Office of General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

RE: MUR 1451
Attention: Michael Dymersky

Dear Mr. Gross:

On behalf of John Carnes and the Carnes for Congress Committee, I am responding to your letter of June 9, 1982 in which they were notified of a complaint filed with the Commission alleging certain violations of the Federal Election Campaign Act of 1971, as amended.

With regard to the sixteen specific counts alleged in the complaint, Mr. Carnes and the Carnes Committee make the following response:

Counts 1-6: The three paragraph article in The Examiner of February 25, 1982 reporting the Committee's fundraiser at the Blue Ridge Cinema on February 11, 1982 resulted from a lack of clarity in the passage of information about the event to the reporter who wrote the story. Although statements were made that there were $42,620 in contributions from the evening, in fact, some $36,000 of that amount were pledges, and only $6,000 plus was in the form of actual contributions received which were properly itemized on the quarterly report filed by the Committee. Any subsequent contributions resulting from pledges made at this event are being properly recorded upon receipt, and reported in the appropriate period.

Likewise, ordinary business procedures were followed in the transactions between the Committee and Mid-America

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In addition, all costs for refreshments at this event, i.e., wine and cheese, were billed to the Committee during the second quarter of 1982 and payment of the debt will be properly reported in the report for this period.

Count 7: Before the receipt of this complaint from the Commission, the Committee determined that the contribution which was reported as from "Gold Cross Amb." was from a prohibited source and refunded the contribution. An appropriate entry will reflect this refund in the report for the second quarter.

Count 8: Consumers for Carnes is a subgroup of the Committee used only to identify the candidate's emphasis and commitment to consumer and marketplace issues. This group is not an authorized committee. In fact, it is not a "political committee" as it accepts no contributions and makes no expenditures. All mailings using the name "Consumers for Carnes" were paid for by the Committee, and any contributions which may result from these mailings are accepted by the Committee and deposited in its account. Since this group does not meet the definition of a political committee contained in 2 U.S.C. §431(4), it is not required to register under 2 U.S.C. §433, as alleged by complainant in this Count.

Counts 9-10: In Count 9, Complainant alleges that certain campaign mailings, which contained a disclaimer stating "paid for by the State Democratic Committee" violated 2 U.S.C. §441h(1) because "none of the printings was paid for by the State Democratic Committee."

The section of the law cited is inapplicable to the facts alleged. Under 2 U.S.C. §441h(1), the truth or falsity

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of the statement made is not relevant; the issue is whether there has been a misrepresentation of authority to speak on another party's behalf, and whether, as a result of such misrepresentation, there has been direct damage to that same other party. In this instance, there has been no misrepresentation that the Committee is speaking for any other party (including the State Democratic Committee); even if it could be shown that there was a claim of authority to speak on behalf of the State Democratic Committee, any damage claimed as a result of this action is personal to the State Democratic Committee and must be claimed by the misrepresented party in order for there to be a violation. Such is not the case in this matter.

Each piece of literature referred to in the complaint did correctly state that the literature was authorized by the Carnes for Congress Committee. The literature also contained the language "Paid for by the State Democratic Committee." This language was initially placed on the literature because of a suggestion from the State Democratic Party Chairman, Mr. Pat Lea. The specific language was received from the Executive Secretary of the Missouri Democratic Party, Mr. Thomas Perl.

In January, 1982, the candidate and a supporter (Luva Vaughn) met with the Chairman of the Jackson County Democratic Party (Archie McGee), the Chairman of the Lafayette County Democratic Party (Steve Gates), and the State Democratic Party Chairman (Pat Lea). Mr. Lea indicated to all those present that he had a means to save all of the Democratic Party candidates for Congress in the Fifth Congressional District money. He stated that the state party would offer its reduced bulk mailing rate to all the Democratic candidates. Mr. Lea instructed the candidate, who was receptive to the idea and intended to utilize the offer, to obtain the necessary disclaimer language from the Executive Secretary, Tom Perl. The candidate did obtain the disclaimer language from Mr. Perl and instructed the printer to include it on the literature. After approximately 300,000 pieces of literature had been printed and stuffed into 62,000 envelopes, a representative of the Committee called the state party office in Jefferson City to inform them of the impending delivery of the literature for mailing. At this point, the Committee was informed that the state party's bulk mailing rate was not available. Obviously upset after the expenditure of substantial sums for the printing of the literature, Luva Vaughn called the State Party Chairman, Pat Lea, to remind him of the January conversation and the large expenditure of time (approximately a thousand person hours) and money in the preparation of this mailing. Mr. Lea, nonetheless, stated that the reduced mailing rate would not be available to the Committee.

Because of the time constraints involved, and the large commitment of Committee funds and energy already expended on this effort, it was decided to proceed with the mailing utilizing conventional bulk mailing stemps (which were placed on the envelopes) after receiving assurances from the State Party Chairman, Mr. Lea, that he would issue a press release explaining the situation regarding the disclaimer and exonerating the candidate. Either the press release was never issued, or it was not publicized. In any event, these mailings were authorized by the Committee, prepared at the Committee's expense, and mailed by the Committee at its expense.

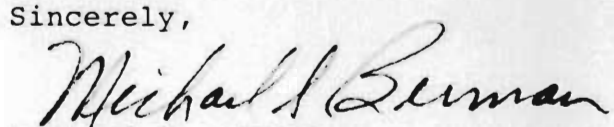
Counts 11-13 and 15: All the specific itemized disbursements and receipt entries mentioned in these Counts were identified properly as to person, date, and amount on Schedule B and Schedule A of the referenced quarterly report. Additional information on these particular entries has been obtained by the Committee, and appropriate amendments have been mailed to the Commission as of this date.

Count 14: This entry was a reimbursement by the Committee by check to the Candidate for out-of-pocket travel expenses. The amendment to the quarterly report noted above includes additional information on this entry and the Candidate is forwarding an affidavit regarding the nature of these expenses.

Count 16: The Committee has prepared appropriate decal disclaimers, in conformance with the requirements of 2 U.S.C. §441d, which have been placed on the four billboards at the locations specified in paragraph 71a)-d) of the complaint. These decals are also being placed on all other similar billboards on which the disclaimer may have been omitted. Photographic evidence of the placement of the disclaimers can be supplied if necessary.

John Carnes and the Committee appreciate the opportunity to respond to the allegations set forth in the complaint and feel that the foregoing explanation, factual and legal representations, and statement of Committee actions provides the Commission with the demonstration necessary to show that no further action should be taken against the Committee in connection with this matter. Mr. Carnes and the Committee will, of course, be responsive to any further requests which the Commission may direct to them.

Sincerely,



Michael S. Berman
Attorney for Respondent

MSB:rv

Edmund L. Henshaw, Jr.
Clerk

6cc# 8047

Patricia A. Bias, Director
Office of Records and Registration

Office of the Clerk
U.S. House of Representatives
Washington, D.C. 20515

June 30, 1982

2 JUL 1 P2:19

TO: Charles N. Steele, General Counsel
Federal Election Commission

FROM: Patricia A. Bias, Director
Office of Records and Registration

RE: MUR 1431

Enclosed please find a letter from John Carnes, a candidate in the 5th district of Missouri, which was forwarded to this office by the Federal Election Commission.

Since this document concerns Power of Attorney with respect to the above MUR Case, I am forwarding it to your office to handle in a manner consistent with Commission procedures.

This document has not been microfilmed or included in our computer index.

If I can be of further assistance, please do not hesitate to contact me.

Enclosure

cc: Doug Patton
Steve Duffy

82040353701

RECEIVED
Fed. Elec. Comm.
82 JUN 28 A 9: 24

REGULAR MAIL

JUN 24 1982

STATEMENT OF DESIGNATION OF COUNSEL

099163

NAME OF COUNSEL: Michael Berman

ADDRESS: Ste 800, 1900 M. Street N.W., Washington D.C. 20036

TELEPHONE: (202) 452-8387

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

6/24/82
Date

Signature

NAME: John Carnes

ADDRESS: 639 S. Park, Independence, Missouri 64050

HOME PHONE: (816) 461-5837

BUSINESS PHONE: (816) 836-8300

MUR 1431

82040353705

John Masterman

RECEIVED
Fed. Elec. Comm.
82 AUG 3 PM 12: 38

Democrat for Congress

CERTIFIED MAIL
JUL 30 1982

July 29, 1982

RECEIVED
OFFICE OF RECORDS & REGISTRATION
1982 AUG -4 PM 12: 47
OFFICE OF THE CLERK
U.S. HOUSE OF REPRESENTATIVES

Federal Election Commission
Washington, D.C. 20463

Dear Federal Election Commission:

In a letter dated June 3, 1982, I alleged 16 violations of Federal election laws by John Carnes, a candidate for the U.S. House of Representatives in the 5th District of Missouri, and the Carnes for Congress Committee.

In your June 9 acknowledgment of the filing, I was informed that I should forward any additional information concerning the matter.

AUG 6

I wish to call your attention to Mr. Carnes' two July filings. As a resident of this district and a candidate in the race, I question whether a number of contributions were legally made by the persons in whose names they are listed. Among $1,000 contributors were a secretary, a self-employed photographer, a maintenance man employed by a Federal agency, a sheet metal worker, and a data processor. Among $1,000 loan guarantors were a warehouse clerk, a maintenance worker, a driver test clerk, a registered nurse, and a steel worker. None of the contributions cited above was listed as having been made "in-kind."

I have no way of knowing whether or not Federal laws have been violated in the latest reports. But I think the nature of these contributions raises serious questions, and I hope the F.E.C. will find it appropriate to look into them further.

Sincerely,

John Masterman

John Masterman

4005 Central Kansas City, Missouri 64111 Phone (816) 753-3395

John Masterman
4005 Central
Kansas City, Missouri 64111

RETURN RECEIPT
REQUESTED

CERTIFIED
P 266 685 717
MAIL

Federal Election Commission

Washington, D.C.

20463

P 266 685 717

Office of Records and Registration
Office of the Clerk
U.S. House of Representatives
Washington, D.C. 20515

Official Business

32040353709

O.G.C.
F.E.C

ATTN: SUZANNE CALLAHAN

We need a person in Washington who will stand up for the Gas Consumer against the Big Oil Companies

YOUR HELP CAN MAKE A DIFFERENCE

COUNT ME IN! I would like to help John Carnes get elected to the U. S. Congress. I will:

- ☐ display yard sign
- ☐ help on election day
- ☐ have a coffee or party
- ☐ distribute literature
- ☐ put bumper sticker on car
- ☐ donate time at headquarters
- ☐ work on phone bank
- ☐ make a financial contribution

Name _____

Address _____

City _____ Zip _____

Bus. Phone _____ Home Phone _____

Authorized by Carnes For Congress Committee
Paid for by the State Democratic Committee

Place
Stamp
Here

Consumers For Carnes Committee
Kevin McCormick, Chairman
113 West Lexington
Independence, Missouri 64050

3 2 4 0 3 5 3 7 1 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Carnes for Congress Committee
11927 East 40 Highway
Independence, Missouri 64055

Re: MUR 1451

Dear Sir:

This letter is to notify you that on June 8, 1982 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 1451. 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.

3 2 0 4 0 3 5 3 7 1 1

If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter at (202)-523-4039. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

By Kenneth A. Gross
Associate General Counsel

32040355371 2

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John Carnes
18608 East 28th Terrace
Independence, Missouri 64057

Re: MUR 1451

Dear Mr. Carnes:

This letter is to notify you that on June 8, 1982 the Federal Election Commission received a complaint which alleges that you 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 1451. 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 you 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, statement 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 comunications from the Commission.

82040353713

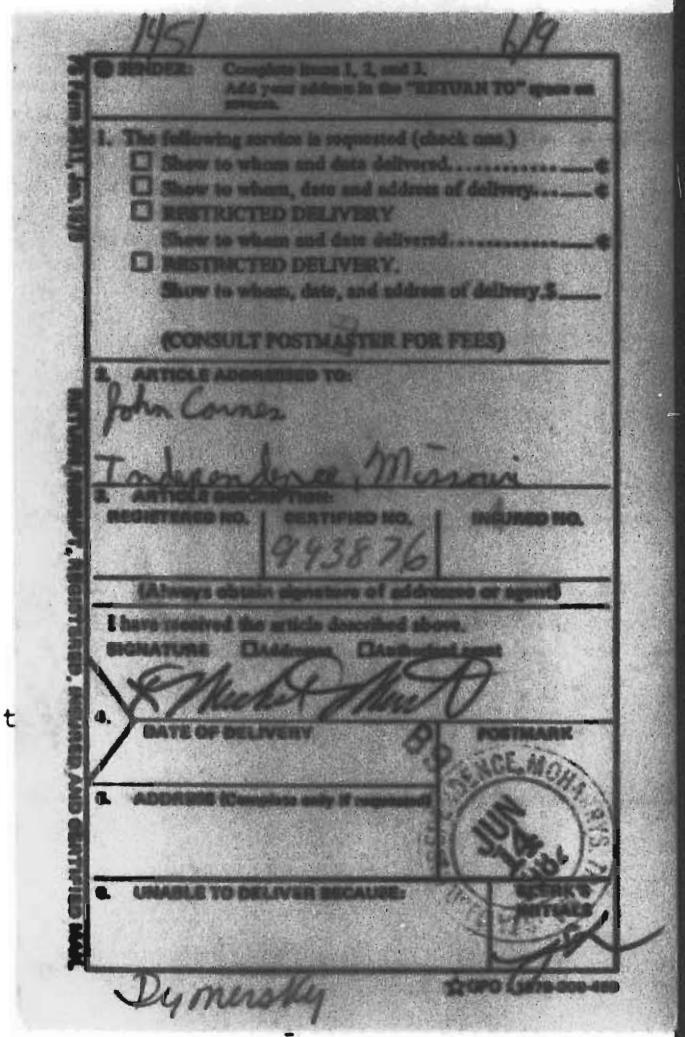
If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter at (202)-523-4039. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

By Kenneth A. Gross
Associate General Counsel

P 220 403 537


1451 6/9

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

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

2. ARTICLE ADDRESSED TO:
John Connes
Independence, Missouri

3. ARTICLE DESCRIPTION:
REGISTERED NO. | CERTIFIED NO. 943876 | INSURED NO.

(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY | POSTMARK
JUN 1 1984

5. ADDRESS (Complete only if requested)

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

Dymersky

☆GPO 1979-300-403

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John Masterman
4005 Central
Kansas City, Missouri 64111

Dear Mr. Masterman:

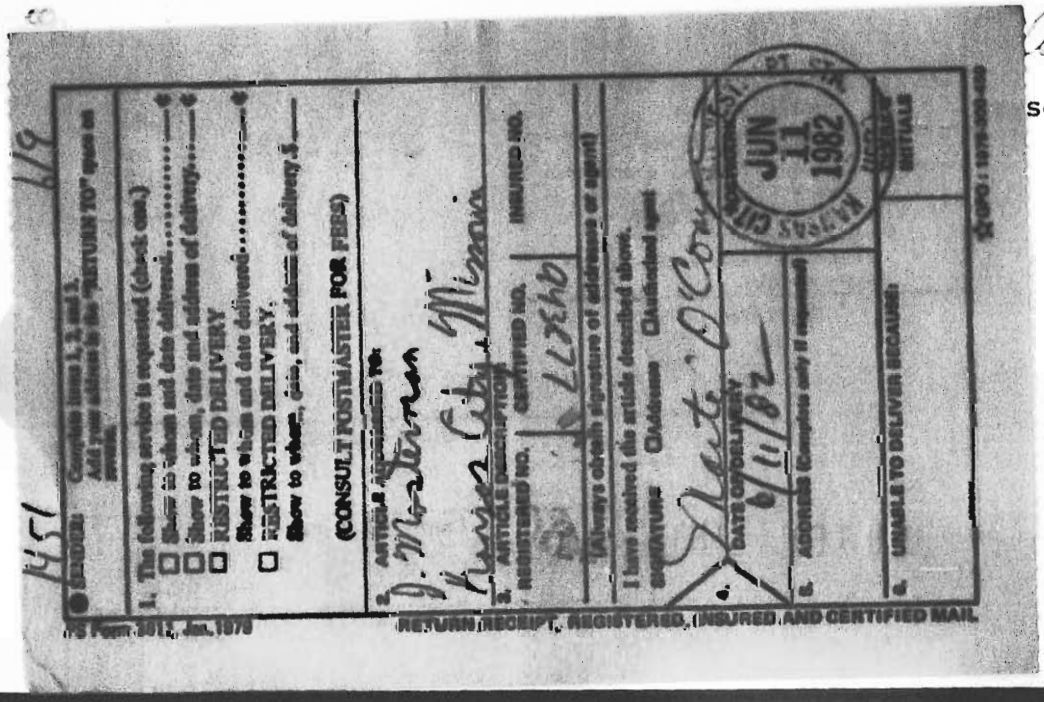
This letter is to acknowledge receipt of your complaint of June 3, 1982, against John Carnes and Carnes for Congress Committee which alleges violations of the Federal Election Campaign laws. A staff member has been assigned to analyze your allegations. The respondents will be notified of this complaint 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, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

R. Hanson

son



John Masterman 708 Gen 7920

RECEIVED
82 JUN 8 P12:15

Democrat for Congress

82 JUN 8 P4:17

June 3, 1982

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

Dear Mr. Steele:

I am enclosing a notarized complaint setting forth facts which I believe constitute violations of Federal election laws by John Carnes, of Independence, Mo., a Democratic Party candidate for Missouri's 5th District seat in the United States House of Representatives.

I am requesting an F.E.C. investigation of Mr. Carnes' campaign financing. I am stymied in my own efforts to seek answers to sources of campaign funding because I lack the discovery remedies available to the Commission. As one example, a fund raising party conducted by Mr. Carnes in February is reported by the Independence newspaper (quoting his campaign treasurer) to have raised $42,620. It is not likely that small contributors would have given contributions totalling an amount that large. In any event, his March 31 report to the Commission fails to disclose any receipts or expenditures in connection with the event. There are, among the allegations, other instances in which discovery procedures may need to be invoked in order to obtain the essential facts.

I thank you for your attention to this filing.

Sincerely,

John Masterman

John Masterman

4005 Central Kansas City, Missouri 64111 Phone (816) 753-3395

RECEI
92 JUN 8 PM

THESE ARE ORIGINALS OF ITEMS COPIED AND CITED AS EXHIBITS...

92030035 3717

Education: "The federal government must be committed to strong financial assistance to education; committed to fair wages for teachers, committed to educational opportunity for minority and handicapped students; and committed to a policy of local decision-making in the school districts. The school lunch program and student loans for higher education must not be eliminated. Every American must have an equal opportunity for a quality education."

Crime: "The taxpayers' money has been wasted on unsound programs and gimmicks. A little common sense will give us the right answers. The courts are clogged. We need more judges, prosecutors and defenders, and less plea-bargaining. We must make sure that career criminals go to prison and stay there, while first and minor offenders get every chance for rehabilitation. We need more police on the beat and community involvement to build trust. The victims of crime--homeowners, businessmen and particularly the elderly - - must be protected."

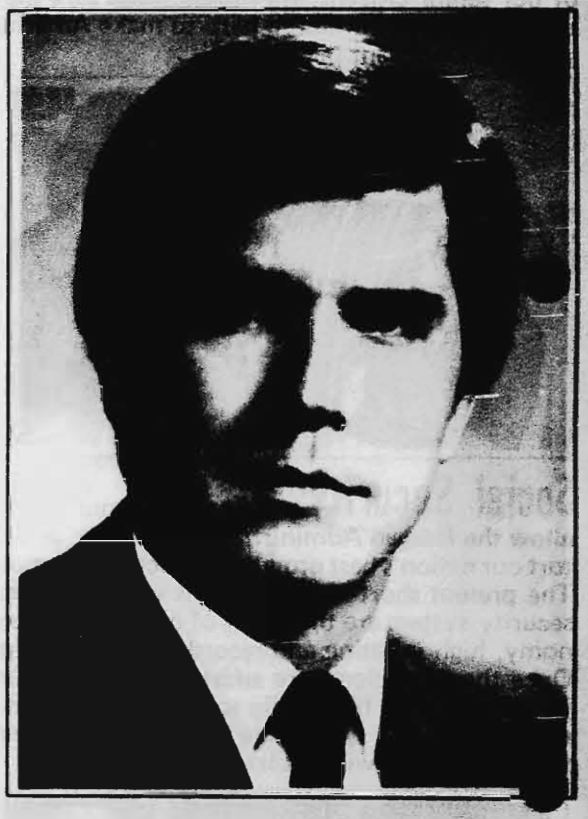
Balanced Budget: "We must reestablish the basic principle of a balanced federal budget and find a workable method of retiring the national debt. Then we need to enact legislation that will require a balanced federal budget annually. States, cities, families and individuals are required to live within their budgets, and the federal government should be no different. Government is supposed to be 'we the people.' Now is the time for it to start living like 'we the people.' "

John Carnes: Honest, open dedicated and hard working are words that best describe John. He is a 5th generation citizen of Jackson County with a family heritage of involvement in civic and governmental affairs. Being a Democrat comes naturally to John, his great aunt, Mrs. George P. Wallace, is sister-in-law of Bess Truman and Carnes states he is greatly influenced by the contribution Harry S. Truman made to our nation. John Carnes was elected to the Independence City Council in 1978 and re-elected to a 2nd term in 1980. He is a graduate of the University of Missouri-Kansas City. John believes it is time the people's view started being represented in Washington. He will be a member of Congress who will be working for you.

PRIMARY ELECTION, TUESDAY, AUGUST 3, 1982

Paid for by the State Democratic Committee
Authorized by Carnes for Congress Committee
5029 Independence Ave., Kansas City, MO 64124
Mike Martin, Treasurer - 833-2222

A fresh face that will provide new leadership while protecting traditional values.



JOHN CARNES

DEMOCRAT

CANDIDATE

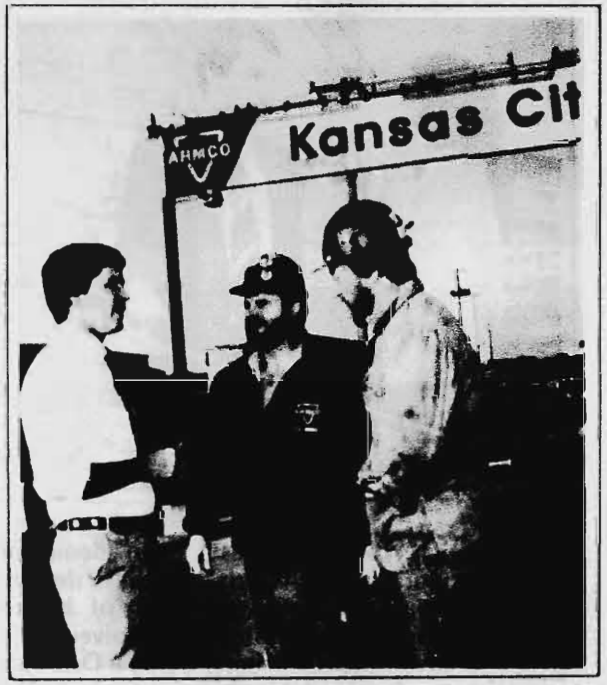
REPRESENTATIVE TO U. S. CONGRESS

FIFTH DISTRICT

Elderly Americans: "Life essential programs for the elderly are under attack in Washington and must be defended and preserved. Many of the things we enjoy in our country today are because of the hard work and sacrifices of our senior citizens. We should make sure that those who have worked so hard to make America great have a decent place in it."

Social Security: "Congress must not allow the Reagan Administration to dilute or distort our nation's best program of social insurance. The present short-term problems with the social security system are the result of an unstable economy, high inflation and record unemployment. Once these problems are addressed, social security will again be financially sound. When a worker pays into the system, he has a right to be certain his benefits will not be threatened."

Jobs: "Over a million people have lost their jobs since Reagan became president. There are public projects that desperately need to be done. And there are millions of people desperately looking for work. It is sound economics to assure that every American who wants a job feels confident that they can secure a job. Unemployment now costs the American people billions each year in additional welfare and lost taxes. The government could use that money to train the unskilled and put our unemployed citizens back to work."



Energy: "Our natural gas bills are already too high, and they're rising every year. The big oil companies want our bills to rise even faster. They are pressuring the Reagan Administration and the Congress for total decontrol of natural gas prices. That means doubling or even tripling our monthly gas bills, with massive windfall profits for the oil companies. We cannot allow this to continue, and we need a person in Washington who will stop it."

Tax Justice: "This year, thanks to the Republicans, billions of dollars will escape through tax loopholes for wealthy individuals and large corporations. This lost money should be recaptured and returned to the millions of ordinary citizens who now pay more than their fair share. We need to change the tax laws to make big business pay taxes at the rate small business pays. We need to make the social security tax more equitable. We need to help the states control our sky-rocketing property taxes."

The Cities: "The problems of our cities are the problems of the nation - - high unemployment, high inflation, high interest rates, high energy costs. These require national solutions. The first concern is jobs. Nothing will lower the crime rate faster than cutting the unemployment rate. We must build public transit networks to move people quickly, efficiently and conveniently. We must encourage the maintenance and rehabilitation of our neighborhoods."

Small Business: "Small businesses employ more than half the workers in this country. But high interest rates are driving small businesses into bankruptcy at an alarming rate, and the Republican tax policy has been designed to help the large corporations. The small businessman must no longer be ignored."

If you believe as John Carnes believes,

then you've got yourself a United States Congressman you can believe in.

The Oil Companies Are Out to Triple Our Gas Bills. They Must Be Stopped!

We need a person in Washington who will stand up for the gas consumer and not be bullied or bought by the big oil companies.

John Carnes is this person.

He is seeking election to the U. S. House of Representatives (the seat held by Richard Bolling who is retiring). He is dedicated and honest. He will work to stop the unbelievable and unreasonable rise in our gas bills. John Carnes needs our support.

Our gas bills are already too high, and they're rising quickly. The big oil companies want our bills to rise even faster. Their lobbyists are pressuring the Reagan administration and the Congress for total decontrol of natural gas prices. That means doubling or even tripling our gas bills, with massive windfall profits for the oil companies. We cannot afford this, and we need a person in Washington who will work to stop it.

John Carnes is the man for the job. He is a leader. He shows courage. He speaks out - - and he will stand up for the little guy against the big oil companies.

Get involved now - - before it is too late. The oil companies don't own this country yet, even though they would like to, and they won't in the future with a representative in Washington like John Carnes.

These are not ordinary times, and this is not an ordinary election. We need your help to send John Carnes to Congress. Call 833-2222 or send in the enclosed post card to get involved.

Consumers For Carnes Committee
Kevin McCormick, Chairman
1292 W. 72nd Terr. • Kansas City, Missouri 64114

Authorized by Carnes For Congress Committee, Mike Martin, Treasurer
Paid for by the State Democratic Committee

2 0 4 0 3 5 3 7 2 1

RECEIVED

02 JUN 6 P12:15

BEFORE THE
FEDERAL ELECTION COMMISSION

In the matter of JOHN CARNES, candidate for the U.S. House of Representatives for the Fifth District of Missouri; and CARNES FOR CONGRESS COMMITTEE, Respondents JOHN SHELBY MASTERMAN, Petitioner	)(

COMPLAINT

Comes now the petitioner, John Shelby Masterman of 415 East 64th Terrace, Kansas City, Missouri, 64131, complaining of and praying for investigation of potential violations of Federal campaign law by the respondents John Carnes of 18608 East 28th Terrace, Independence, Missouri, 64057, and the Carnes for Congress Committee, in the following particulars.

JURISDICTION

1. Petitioner John Shelby Masterman has standing to bring this complaint under statutory authority of 2 U.S.C. §437g(a)(1).

2. Respondent John Carnes is now and has been at all times relevant to this complaint a "candidate" for federal office as defined by 2 U.S.C. §431, having received contributions and/or having made expenditures in excess of $5,000.00.

3. Respondent Carnes for Congress Committee is now and has been at all times relevant to this complaint a "political committee" as defined by 2 U.S.C. §431, having received contributions and/or having made expenditures in excess of $1,000.00 during the calendar year 1982.

4. Jurisdiction of the Federal Election Commission in this matter is invoked by the provisions of 2 U.S.C. §431 et seq., and specifically §§437d and 437g.

Count 1

FAILURE TO REPORT CONTRIBUTIONS SOLICITED IN A FUNDRAISING ACTIVITY

5. On or about February 11, 1982, respondent John Carnes and/or Carnes for Congress Committee held a fundraising event at the Blue Ridge Cinema in Kansas City. A ticket to the event is attached hereto and incorporated herein as if fully setout, identified as exhibit "A".

6. According to the Independence Examiner article of February 25, 1982, respondent(s) reported receiving $42,620 in contributions. A copy of the article is attached hereto and incorporated herein as if fully set out, identified as exhibit "B".

7. In his first quarterly report subbmitted by requirement of federal law, however, respondent fails to report contributions which by any computation equal the $42,620 reported as having been received. A copy of the first quarterly report is attached hereto and incorporated herein as if fully set out, identified as exhibit "C".

8. Failure to report these contributions in respondent's first quarterly report is a violation of 2 U.S.C. §434(b)(2)(A), which requires the reporting of such contributions. Failure to report a sum as great as $42,620 constitutes a serious and willful violation of this law and suggests irregularities in the very nature of the contributions. Because petitioner does not have the discovery powers to further evidence the exact nature of the violations, petitioner urges the Commission to further investigate the source of the $42,620.

Count 2

ACCEPTANCE OF POTENTIALLY ILLEGAL CORPORATE CONTRIBUTION FROM MID-AMERICA CINEMA CORPORATION

9. Mid-America Cinema Corporation is and was at all times relevant to this complaint a corporation organized and incorporated under the laws of Missouri.

10. On or about February 11, 1982, Mid-America Cinema Corporation made the use of its Blue Ridge Cinema facility available to respondent John Carnes and/or Carnes for Congress Committee.

11. The Blue Ridge Cinema facility is now and was on February 11, 1982, a movie theatre used for the showing of films for commercial purposes.

12. On the evening of February 11, 1982, respondent(s) used the Blue Ridge Cinema facility for fundraising activity. Refer to exhibits "A" and "B".

13. A first quarterly report of respondent which covers this date reflects no disbursements for the leasing of the premises nor any contribution of the premises from the corporation. Refer to exhibit "C".

14. Tender of the contribution of premises is a contribution of a thing of value.

15. Contributions made by corporations violate 11 C.F.R. §114.2(b), which provides, "Any corporation whatever...is prohibited from making a contribution or expenditure...in connection with any federal election."

16. Acceptance of illegal contributions by respondents is a violation of 11 C.F.R. §114.2(c), which provides, "A candidate, political committee, or other person is prohibited from knowingly accepting or receiving any contribution prohibited by this section."

Count 3

FAILURE TO REPORT CONTRIBUTIONS OR EXPENDITURES INCIDENT TO THE USE OF THE BLUE RIDGE CINEMA FACILITY

17. Paragraphs 9 through 12 of count 2 are incorporated herein.

18. Probable value of the use of a commercial cinema used for the showing of first-run films exceeds $200.00.

19. The first quarterly report of respondents makes no listing either of an expenditure for or contribution of the use of the Blue Ridge Cinema facility. Refer to exhibit "C".

20. Failure to report contributions of a value in excess of $200.00 with a full identification of the contributor is a violation of 2 U.S.C. §434(b)(3)(A), which requires such reporting.

21. In the alternative, if payment was made for the use, respondents violate 2 U.S.C. §434(b)(4)(A), which requires the reporting of such a disbursement.

Count 4

FAILURE TO REPORT CONTRIBUTIONS OR EXPENDITURES INCIDENT TO THE USE OF THE BLUE RIDGE CINEMA FACILITY

22. Paragraphs 9 through 12 of count 2 are incorporated herein.
23. According to the invitation, the fundraiser featured wine and cheese as refreshments. Refer to exhibit "A".
24. The first quarterly report of respondents makes no listing either of an expenditure for or contribution of the refreshments.
25. The value of the refreshments is undetermined.
26. Failure of respondents to report contributions is a violation of 2 U.S.C. §434(b)(2).
27. In the alternative, if payment was made for the refreshments, respondents violate 2 U.S.C. §434(b)(4)(A), which requires the reporting of such a disbursement.

Count 5

FAILURE TO REPORT CONTRIBUTIONS OR EXPENDITURES INCIDENT TO THE USE OF THE BLUE RIDGE CINEMA FACILITY

28. Paragraphs 9 through 12 of count 2 are incorporated herein.
29. According to the invitation and also to the Independence Examiner article of February 25, 1982, the film "Mr. Smith Goes to Washington" was shown at the fundraiser.
30. The first quarterly report of respondents makes no listing either of an expenditure for or contribution of the film.
31. Failure of respondents to report contributions is a violation of 2 U.S.C. §434(b)(2).
32. In the alternative, if payment was made for the rental of the film, respondents violate 2 U.S.C. §434(b)(4)(A), which requires the reporting of such a disbursement.

Count 6

FAILURE TO REPORT CONTRIBUTIONS OR EXPENDITURES INCIDENT TO THE USE OF THE BLUE RIDGE CINEMA FACILITY

33. Paragraphs 9 through 12 of count 2 are incorporated herein. Paragraph 29 is also incorporated.
34. The presentation of the film required a projectionist.
35. The first quarterly report of respondents makes no listing either of an expenditure for or contribution of the film. Refer to exhibit "C".

36. Failure to report contributions is a violation of 2 U.S.C. §434(b)(2).

37. In the alternative, if payment was made to the projectionist, respondents violate 2 U.S.C. §434(b)(4)(A), which requires the reporting of such a disbursement.

Count 7

ACCEPTANCE OF POTENTIALLY ILLEGAL CORPORATE CONTRIBUTION FROM GOLD CROSS AMBULANCE

38. Gold Cross Ambulance, Inc., is now and was at all times relevant to this complaint a corporation organized and incorporated under the laws of the state of Missouri.

39. Respondent John Carnes and/or Carnes for Congress Committee reports in their first quarterly report the receipt of a contribution of $200.00 from Gold Cross Ambulance on Schedule A, "Itemized Receipts," on page 1, entry F. Refer to exhibit "C".

40. Contributions made by corporations violate 11 C.F.R. §114.2(b), which provides, "Any corporation whatever...is prohibited from making a contribution or expenditure...in connection with any federal election."

41. Acceptance of illegal contributions by respondents is a violation of 11 C.F.R. §114.2(c), which provides, "A candidate, political committee, or other person is prohibited from knowingly accepting or receiving any contribution prohibited by this section."

Count 8

FAILURE TO REPORT THE EXISTENCE AND OPERATIONS OF AN AUTHORIZED COMMITTEE

42. On two separate mailing pieces, respondents refer to the existence of a "Consumers for Carnes" Committee, which is stated to be an authorized committee. Copies of these two mailing pieces are attached hereto and incorporated herein as if fully set out, identified as exhibits "D" and "E".

43. The mailing of these pieces occurred on or about May 5, 1982.

44. At the time of the mailing and ten days after the mailing, no report of the organization of this authorized committee was on file as required by law.

45. Failure of respondents to file registration of this political committee is a violation of 2 U.S.C. §433, which states that "Each authorized campaign committee shall file a statement of organization not later than 10 days after designation...."

Count 9

FRAUDULENT MISREPRESENTATION OF CAMPAIGN AUTHORITY

46. Respondent John Carnes and/or Carnes for Congress Committee caused to be published an undetermined quantity of campaign brochures of two separate and distinct designs, as well as one mailing piece soliciting contributions. A copy of the relevant portion of each is attached hereto and incorporated herein as if fully set out, identified as exhibits "D", "E", and "F".

47. Each design and piece represents that the piece has been "paid for by the State Democratic Committee." Refer to exhibits "D", "E", and "F".

48. None of the printings was paid for by the State Democratic Committee. This position was stated in the Kansas City Times of May 13, 1982. A copy of this article is attached hereto and incorporated herein as if fully set out, identified as exhibit "G".

49. The State Democratic Committee acts in part to benefit the Democratic party and all Democratic office seekers; therefore, actions which damage the party and those office seekers damage the State Democratic Committee. As a result of respondent's fraudulent misrepresentation, all other candidates for the U.S. House of Representatives for the Fifth District of Missouri were damaged. The pamphlets create the false impression that the state committee has in some way endorsed respondent over all other candidates to their detriment. This damage therefore extends both to the candidates and to the State Democratic Committee.

50. Respondent's fraudulent misrepresentation of campaign authority is a violation of 2 U.S.C. §441h(1) in each case. That statute provides, "No person who is a candidate for Federal office or an employee or agent of such a candidate shall fraudulently misrepresent himself or any committee or organization under his control as speaking or writing or otherwise acting for or on behalf of any other candidate or political party or employee or agent thereof on a matter which is damaging to such other candidate or political party or employee or agent thereof."

Count 10

FAILURE TO STATE CLEARLY THAT POLITICAL PUBLICATIONS WERE PAID FOR BY RESPONDENTS

51. Paragraphs 46 and 47 of count 9 are incorporated herein.

52. The pamphlets distributed by respondents fail to state what candidate or political committee in reality paid for them. Refer to exhibits "D", "E", and "F".

53. Failure to provide this information in each case is a violation of 2 U.S.C. §441d(a), which requires that communications of this nature which expressly advocate the election of a clearly identified candidate must clearly state that the communication is paid for by the candidate or committee paying for them.

Count 11

FAILURE TO PROVIDE NAME AND ADDRESS OF PERSONS TO WHOM DISBURSEMENTS EXCEEDING $200 WERE MADE

54. Under Schedule B, "Itemized Disbursements," of the first quarterly report, respondent John Carnes and/or Carnes for Congress Committee fails to provide the name and address of "Election Commission," listed on Page 1, entry A. Refer to exhibit "C".

55. Respondents report an expenditure to "Election Commission" in excess of $200. Refer to exhibit "C".

56. Respondent's failure to report the name and address is a violation of 2 U.S.C. §434(b)(5)(A), which requires the reporting of "the name and address of each person to whom an expenditure is an aggregate amount or value in excess of $200 within the calendar year."

Count 12

FAILURE TO PROVIDE NAME AND ADDRESS OF PERSONS TO WHOM DISBURSEMENTS EXCEEDING $200 WERE MADE

57. Under Schedule B, "Itemized Disbursements," of the first quarterly report, respondent John Carnes and/or Carnes for Congress Committee fails to provide the name and address of "Debbie Eimer" in two entries, listed on page 1, entries E and G. Refer to exhibit "C".

58. Respondents report two expenditures to "Debbie Eimer" in excess of $200. Refer to exhibit "C".

59. Respondent's failure to report the name and address is a violation of 2 U.S.C. §434(b)(5)(A), which requires the reporting of "the name and address of each person to whom an expenditure is an aggregate amount of value in excess of $200 within the calendar year."

Count 13

FAILURE TO PROVIDE THE NAME AND ADDRESS OF PERSONS TO WHOM DISBURSEMENTS EXCEEDING $200 WERE MADE

60. Under Schedule B, "Itemized Disbursements," of the first quarterly report, respondent John Carnes and/or Carnes for Congress Committee fails to provide the name and address of "Dean Kline Printer" in three entries, listed on page 1, entries H and I, and page 2, entry A. Refer to exhibit "C".

61. Respondents report three expenditures to "Dean Kline Printer" in three entries in excess of $200. Refer to exhibit "C".

62. Respondent's failure to report the name and address is a violation of 2 U.S.C. §434(b)(5)(A), which requires the reporting of "the name and address of each person to whom an expenditure is an aggregate amount of value in excess of $200 within the calendar year."

Count 14

FAILURE TO PROVIDE THE NAME AND ADDRESS OF PERSONS TO WHOM DISBURSEMENTS EXCEEDING $200 WERE MADE

63. Under Schedule B, "Itemized Disbursements," of the first quarterly report, respondent John Carnes and/or Carnes for Congress Committee fails to provide the name and address of "Cash," listed on page 1, entry F. Refer to exhibit "C".

64. Respondents report expenditure to "Cash" in excess of $200. Refer to exhibit "C".

65. Respondent's failure to report the name and address is a violation of 2 U.S.C. §434(b)(5)(A), which requires the reporting of "the name and address of each person to whom an expenditure is an aggregate amount of value in excess of $200 within the calendar year."

Count 15

FAILURE TO IDENTIFY PERSON FROM WHOM A CONTRIBUTION EXCEEDING $200 WAS ACCEPTED

66. Under Schedule A, "Itemized Receipts," of the first quarterly report, respondent John Carnes and/or Carnes for Congress Committee fails to identify the occupation and employer of "Mike Kelly," listed on page 2, entry B. Refer to exhibit "C".

67. Respondents report a contribution from Mike Kelly in excess of $200. Refer to exhibit "C".

68. Failure to identify the occupation and employer of a contributor of an amount exceeding $200 is a violation of 2 U.S.C. §434(b)(3), which requires such identification.

Count 16

FAILURE TO STATE CLEARLY THAT OUTDOOR ADVERTISING BILLBOARDS WERE PAID FOR BY RESPONDENTS

69. On June 2, 1982, and for an undetermined time prior to that date, respondent John Carnes and/or Carnes for Congress Committee caused to be displayed outdoor signs advocating the election of respondent Carnes.

70. The billboards fail to state by whom the signs were paid for.

71. Billboards are located in no fewer than four locations:

a) Facing eastbound traffic in the 8900 block of Truman Road in Independence, Missouri;

b) Facing westbound traffic in the 8800 block of Truman Road in Independence, Missouri;

c) Facing eastbound traffic in the 9200 block of Truman Road in Independence, Missouri; and

d) Facing westbound traffic in the 9200 block of Truman Road in Independence, Missouri.

72. Failure by respondents to identify who paid for the signs is a violation of 2 U.S.C. 441d(a), which requires that each "outdoor advertising facility" used to advocate the election of a clearly identified candidate must clearly state that it has been paid for by the candidate or committee paying for it.

* * *

I hereby swear that the facts contained in this complaint are true and correct to the best of my knowledge.

Respectfully Submitted,

John Shelby Masterman
415 E. 64th Terrace
Kansas City, Missouri 64131

STATE OF MISSOURI

COUNTY OF JACKSON

On the 3rd day of June, 1982, in the state of Missouri, county of Jackson, John Shelby Masterman personally appeared before me, known by me to be the person signing this document having first been sworn upon his oath.

IN WITNESS WHEREOF, I have affixed my seal on the aforementioned place and date.

Pat M. Duffy
Notary Public

PAT M. DUFFY
Notary Public - State of Missouri
Commissioned in Jackson County
My Commission Expires January 14, 1986

My commission expires: _____

2 0 4 0 3 5 3 7 3

EXHIBITS

Exhibit "A":

Carnes

MR. ~~SMITH~~ GOES TO WASHINGTON

JOIN THE WASHINGTON SCENE BY ATTENDING A SHOWING OF FRANK CAPRA'S CLASSIC FILM, MR. SMITH GOES TO WASHINGTON, STARRING JAMES STEWART. INCLUDED IS A WINE AND CHEESE PARTY FOR —

JOHN CARNES

CANDIDATE FOR U.S. REPRESENTATIVE, FIFTH DISTRICT

Thursday, February 11, 1982 at Blue Ridge Cinema
11820 Highway 40, Kansas City, Missouri
Wine and cheese, 7 p.m. Film showing, 8 p.m.

NAME _____ Donation Couple

ADDRESS _____ Regular ☐ $50 Sponsor ☐ $50 Patron ☐ $100

Mail this coupon to:
Carnes for Congress Committee
11820 Blue Ridge Blvd.
Independence, Mo. 64052

Exhibit "B":

The Examiner - Thursday, February 25, 1982 7

the death of retired librarian

SUE GENTRY

...ity on the town's ...in the early years ...s of the Jackson Society was being ...st quarters at the Ever loyal to the ...nded the annual ...ity Club Nov. 17.

...has taken the lead ...his 1902 William ...chool graduating ...den anniversary

...ers of the class of ...ounted for by the sleuthing of Siegfried and an in-town classmates committee that has met regularly for several months. Forty-four of the classmates are deceased.

Details for reunion activities are not complete but dates for the weekend gathering are June 11, 12 and 13.

Working on the reunion plans with Siegfried are David A. Smith, who was the senior class president, Olena Plain Epperson, who was the scholarship winner, Essie Belle Crick Boyer, Edith May Hillard Compton, Lucille Burgess Miller, Amelia Cairns, Harvey Fullerton, Dorothy Linton Barker, Robert Bessmer, Dorothy Hall Denham, Lucille Randall Thomas, Vaughn Short, Richard Pollard, Marguerite Shank Jones, Mary Wiley Dowell, Margaret Eisenhouser Sloop and Irwin Fender.

The unaccounted for classmates are Hazel Branson, Harry Clark, La Nelle Dickinson, John Drouet, Charles Edwards, Tom Gold, Tom Palen, Ronald Schweers, Marvin Turnbull, Lance Wesley and [illegible]

Anyone with information about these people is asked to call Siegfried, 252-1[illegible], or any member of his committee. The next committee session will be March 26 at Siegfried's office.

Five years ago when the Chrisman class of '27 held its golden anniversary reunion, William J. Randall [illegible], insisted that the class wait no longer than five years for another get together.

That time is here and class members who live in the metropolitan area have been contacting out-of-town members to call them to a reunion the weekend of June 5 and 6. Plans include a Sunday night banquet and Sunday picnic.

Among those in on the planning are Luke and Maxine Choplin, Randall, George Berkemeier, Margaret Chapman Esler, Orville Holmes, Ruby Neff Ferguson, Ward Osborn, Wilma Crile Elliott, Alegra Luff Smith, Dr. William Thomas, Hubert Lynch and Arthur Fann.

When the class had its 50th reunion in 1977, 92 members of the class of 139 were still living and 54 of them made it to the gathering. Nineteen came from out-of-town, representing 11 states.

"We are sorry that we have lost several of them since," Luke Choplin said.

The next planning session is Sunday, March 21.

John Carnes' Carnes-for-Congress fund-raiser was a financial success, reports, Mike Martin, his campaign treasurer.

Friends turned to the Blue Ridge Cinema Feb. 11 to see an old favorite, "Mr. Smith Goes to Washington," contributed $47,620.

Carnes, candidate for the congressional seat in the 5th Missouri district, hopes to make it a "Mr. Carnes Goes to Washington."

Exhibit "C":

[redacted]

[redacted]

[redacted]

Exhibit "C", continued:

FEB 17

DEMOCRACY

(108526)

1. (a) Name of Candidate (In Full)

JOHN CARNES

(b) Address (Number and Street)

18608 E. 28th TERRACE

(c) City, State and ZIP Code

INDEPENDENCE, MO. 64057

2. Nonfederal Tax

3. Party Affiliation

DEMOCRATIC

4. Office Sought

HOUSE OF REPRESENTATIVES

5. Office of & State of Candidate

5th DISTRICT MISSOURI

RECEIVED
FEB 22 PM 3:
FEDERAL ELECTION COMMISSION

DESIGNATION OF PRINCIPAL CAMPAIGN COMMITTEE

6. I hereby designate the following named political committee as my Principal Campaign Committee for the 1982 (Year of Election) election.

NOTE: This designation must be filed with the appropriate office listed below.

(a) Name of Committee (In Full)

CARNES FOR CONGRESS

(b) Address (Number and Street)

18608 E. 28th TERRACE

(c) City, State and ZIP Code

INDEPENDENCE, MO. 64057

DESIGNATION OF OTHER AUTHORIZED COMMITTEES

7. I hereby authorize the following named committee, which is NOT my principal campaign committee, to receive and expend funds on behalf of my candidacy.

NOTE: This designation should be filed with the principal campaign committee.

(a) Name of Committee (In Full)

NONE

(b) Address (Number and Street)

(c) City, State and ZIP Code

I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.

John Carnes — Feb. 4, 1982

Signature of Candidate — Date

NOTE: Intentional false, misleading, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. §437g.

CANDIDATES FOR —

President and Vice President	U.S. Senate candidates	U.S. House of Representatives candidates	
Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463	Secretary of the Senate, 119 D Street, N.E., Washington, D.C. 20510	Clerk of the House, 1036 Longworth Office Bldg., Washington, D.C. 20515	For further information contact: Federal Election Commission, Toll Free 800-424-9530, Local 202-523-4068

FEC FORM 2 (Rev.)

8 2 0 1 2 1 0 4 8 4 9

Exhibit "C", continued:

APR 15 1982

REGULAR MAIL

REPORT OF RECEIPTS AND DISBURSEMENTS
For an Authorized Committee

(Summary Page)

089163

1. Name of Committee (In Full): Carnes for Congress
2. FEC Identification Number: C00150573
Address (Number and Street): 11927 E. 40 Highway
3. Is this Report an Amendment? ☐ YES ☒ NO
City, State and ZIP Code: Independence, Mo. 64055
☐ Check if address is different than previously reported

4. TYPE OF REPORT

- ☒ April 15 Quarterly Report
- ☐ July 15 Quarterly Report
- ☐ October 15 Quarterly Report
- ☐ January 31 Year End Report
- ☐ July 31 Mid Year Report (Non-election Year Only)
- ☐ Twelfth day report preceding _____ (Type of election) election on _____ in the State of _____
- ☐ Thirtieth day report following the General Election on _____ in the State of _____
- ☐ Termination Report

This report contains activity for – ☒ Primary Election ☐ General Election ☐ Special Election ☐ Runoff Election

SUMMARY	Column A This Period	Column B Calendar Year-to-Date
5. Covering Period 9-16-81 Through 3-31-82		
6. Net Contributions (other than loans):		
(a) Total Contributions (other than loans) (from Line 11e)	$13,251.79	$13,251.79
(b) Total Contribution Refunds (from Line 20d)	$ -0-	$ -0-
(c) Net Contributions (other than loans) (Subtract Line 6b from 6a)	$13,251.79	$13,251.79
7. Net Operating Expenditures:		
(a) Total Operating Expenditures (from Line 17)	$10,277.40	$10,277.40
(b) Total Offsets to Operating Expenditures (from Line 14)	$ -0-	$ -0-
(c) Net Operating Expenditures (Subtract Line 7b from 7a)	$10,277.40	$10,277.40
8. Cash on Hand at Close of Reporting Period (from Line 27)	$ 2,974.39	
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C or Schedule D)	$ -0-	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D)	$ -0-	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

MICHAEL L. MARTIN
Type or Print Name of Treasurer

Signature of Treasurer

4-15-82
Date

For further information, contact:
Federal Election Commission
Toll Free 800-424-9530
Local 202-523-4068

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used.

FEC FORM 3 (3/80)

N2N12131548

DETAILED SUMMARY PAGE
of Receipts and Disbursements
(Page 2, FEC FORM 3)

Name of Committee (In Full): Carnes for Congress

Report Covering the Period: From: 9-16-81 To: 3-31-82

	COLUMN A Total This Period	COLUMN B Calendar Year-to-Date
I. RECEIPTS		
11. CONTRIBUTIONS (other than loans) FROM:		
(a) Individuals/Persons Other Than Political Committees see sch. A	13,120.00	13,120.00
(Name Every Unregistered S_____)		
(b) Political Party Committees		
(c) Other Political Committees	100.00	100.00
(d) The Candidate	31.79	31.79
(e) TOTAL CONTRIBUTIONS (other than loans) (add 11a, 11b, 11c and 11d)	$13,251.79	$13,251.79
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES	-0-	-0-
13. LOANS:		
(a) Made or Guaranteed by the Candidate	-0-	-0-
(b) All Other Loans	-0-	-0-
(c) TOTAL LOANS (add 13a and 13b)	-0-	-0-
14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	-0-	-0-
15. OTHER RECEIPTS (Dividends, Interest, etc.)	-0-	-0-
16. TOTAL RECEIPTS (Add 11e, 12, 13c, 14 and 15)	$13,251.79	$13,251.79
II. DISBURSEMENTS		
17. OPERATING EXPENDITURES see sch. B	$10,277.40	$10,277.40
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES	-0-	-0-
19. LOAN REPAYMENTS:		
(a) Of Loans Made or Guaranteed by the Candidate	-0-	-0-
(b) Of All Other Loans	-0-	-0-
(c) TOTAL LOAN REPAYMENTS (add 19a and 19b)	-0-	-0-
20. REFUNDS OF CONTRIBUTIONS TO:		
(a) Individuals/Persons Other Than Political Committees	-0-	-0-
(b) Political Party Committees	-0-	-0-
(c) Other Political Committees	-0-	-0-
(d) TOTAL CONTRIBUTION REFUNDS (add 20a, 20b and 20c)	-0-	-0-
21. OTHER DISBURSEMENTS	-0-	-0-
22. TOTAL DISBURSEMENTS (Add 17, 18, 19c, 20d and 21)	$10,277.40	$10,277.40

III. CASH SUMMARY

23. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD	$ -0-
24. TOTAL RECEIPTS THIS PERIOD (From Line 16)	$ 13,251.79
25. SUBTOTAL (Add Line 23 and Line 24)	$ 13,251.79
26. TOTAL DISBURSEMENTS THIS PERIOD (From Line 22)	$ 10,277.40
27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25)	$ 2,974.39

C 2 0 0 1 2 1 3 1 5 4 6

Exhibit "C", continued:

SCHEDULE A — ITEMIZED RECEIPTS

Page 2 of 3 for Line Number 11 (a)

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full): Carnes for Congress

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt This Period
A. Joseph J. Johnston 4334 N W Hiway Suite 187 Oklahoma City, Okla. 73116 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Allis Chalmers Occupation: Executive Aggregate Year-to-Date $1000.00	3-9-82	$1000.00
B. Mike Kelly (Trust) 700 Cedar Lake Blvd Oklahoma City, Okla. 73113 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Occupation Aggregate Year-to-Date $1000.00	3-9-82	$1000.00
C. Joseph Mulvihill 414 Mark Twain Bldg Kansas City, Mo. 64112 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Mulvihill Law Firm Occupation: Attorney At Law Aggregate Year-to-Date $1000.00	11-9-81 1-6-82	$500.00 500.00
D. Jerry Mackey 924 W. 24 Hwy. Indep., Mo. 64050 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Hi Boy Rest. Occupation: Owner Aggregate Year-to-Date $500.00	2-11-82	$500.00
E. Dean Pac P.O. Box 1176 K.C., Mo. 64141 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Occupation Aggregate Year-to-Date $ 200.00	3-18-82	$200.00
F. Paul Rhoades 7620 Sterling Raytown, Mo. 64138 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Big Boy Rest. Occupation: Owner Aggregate Year-to-Date $500.00	2-11-82	$500.00
G. Karl Rogers 1111 W. 111 St. K.C., Mo. 64114 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Occupation Aggregate Year-to-Date $200.00	3-16-82	$200.00
SUBTOTAL of Receipts This Page (optional)			$4,400.00
TOTAL This Period (last page this line number only)			

82012131571

Exhibit "C", continued:

SCHEDULE A — ITEMIZED RECEIPTS

Page 2 of 3 for Line Number 11(a)
(Also separate schedule for each category of the Detailed Summary Page)

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (In Full): Garnes for Congress

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt This Period
A. Robt. Scott 17001 George Franklin Dr. Indep., Mo. 64055 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Hydro Conduit Corp. Regional Manager Aggregate Year-to-Date—$200.00	3-15-82	$200.00
B. Luva Vaughan 3353 Shady Bend Dr. Indep., Mo. 64052 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Mia America Cinema Partner Aggregate Year-to-Date—$1000.00	3-19-82	$1000.00
C. Paul J. Wrabel 11215 Burton Sugar Creek, Mo. 64054 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	City of Sugar Creek Alderman Aggregate Year-to-Date—$1000.00	2-11-82	$1000.00
D. Irene Wrabel 11215 Burton Sugar Creek, Mo. 64054 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Unemployed House wife Aggregate Year-to-Date—$1000.00	2-11-82	$1000.00
E. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer / Occupation Aggregate Year-to-Date—$	Date (month, day, year)	Amount of Each Receipt This Period
F. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer / Occupation Aggregate Year-to-Date—$	Date (month, day, year)	Amount of Each Receipt This Period
G. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer / Occupation Aggregate Year-to-Date—$	Date (month, day, year)	Amount of Each Receipt This Period
SUBTOTAL of Receipts This Page (optional)			$3,200.00
			$10,200.00

8201213172

Exhibit "C", continued:

SCHEDULE A — ITEMIZED RECEIPTS

Page 1 of 3 for Line Number 3(a)

File separate schedule for each category of the Summary Page

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committees.

Name of Committee (in Full): Carnes for Congress

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt This Period
A. Galen Beyer, Jr. 3107 S. Noland Rd. Indep., Mo. Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Galen Beyer Motors Occupation: Car Dealer Aggregate Year-to-Date—$300.00	10-30-81	$300.00
B. Mary Ellen Carnes 639 S. Park Indep., Mo. Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Mid American Cinema Occupation: Secretary Aggregate Year-to-Date—$500.00	10-29-81	$500.00
C. Jack Cardwell 3675 Noland Rd. Indep., Mo. 64055 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Cardwell & Assoc. Occupation: President Aggregate Year-to-Date—$1000.00	2-11-82	$1000.00
D. John E. Cogswell 417 E. Main St. Indep., Mo. 64050 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Cogswell Real Estate Occupation: Owner Aggregate Year-to-Date—$ 200.00	3-1-82	$200.00
E. Charles Cornell 17005 George Franklin Dr. Indep., Mo. 64055 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Cornell Roofing Occupation: Owner Aggregate Year-to-Date—$ 200.00	3-26-82	$200.00
F. Gold Cross Amb. 11100 Winner Road Indep., Mo. 64052 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Occupation: Aggregate Year-to-Date—$ 200.00	1-2-82	$200.00
G. Tom J. Hudgens 6319 Kansas Ave. Kansas City, Ks. 66111 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Occupation: Aggregate Year-to-Date—$ 200.00	3-17-82	$200.00
SUBTOTAL of Receipts This Page (optional)			$2,600.00

8201215 7C

Exhibit "C", continued:

SCHEDULE B — ITEMIZED DISBURSEMENTS

Page [illegible] of [illegible]
Line Number [illegible]
Also enter on Schedule B for each category of the Detailed Summary Page

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full): Carnes for Congress

Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
A. Election Commission	Disbursement for: ☒ Primary ☐ General ☐ Other (specify):	11-12-81	$370.97
B. Harmon Russell 2407 S. 291 Indep., Mo. 64057	Purpose of Disbursement: Bumper Stickers Disbursement for: ☒ Primary ☐ General ☐ Other (specify):	11-21-81	$438.96
C. Kay-Gee Ent. 3408 Main Street K.C., Mo. 64111	Purpose of Disbursement: Balloons-Buttons Disbursement for: ☒ Primary ☐ General ☐ Other (specify):	12-1-81	$461.97
D. Ruth Zimmer 400 W. Kansas Indep., Mo. 64051	Purpose of Disbursement: Public Relation (Invitations) Disbursement for: ☒ Primary ☐ General ☐ Other (specify):	12-13-81	$225.70
E. Debbie Eimer	Purpose of Disbursement: CAMPAIGN SERVICES Disbursement for: ☒ Primary ☐ General ☐ Other (specify):	1-28-82	$280.00
F. Cash	Purpose of Disbursement: CAMPAIGN SERVICES Disbursement for: ☒ Primary ☐ General ☐ Other (specify):	3-1-82	$230.00
G. Debbie Eimer	Purpose of Disbursement: CAMPAIGN SERVICES Disbursement for: ☒ Primary ☐ General ☐ Other (specify):	3-2-82	$1000.00
H. Dean Kline Printer	Purpose of Disbursement: PRINTING Disbursement for: ☒ Primary ☐ General ☐ Other (specify):	3-4-82	$3200.59
I. Dean Kline Printer	Purpose of Disbursement: Brochures Disbursement for: ☒ Primary ☐ General ☐ Other (specify):	3-23-82	$520.00
SUBTOTAL of Disbursements This Page (optional)			$6728.19
TOTAL This Period (last page this line number only)			

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Exhibit "C", continued:

SCHEDULE B — **ITEMIZED DISBURSEMENTS**

Page 2 of 2 pp
Line number 37
(Use separate schedule(s) for each category of the Detailed Summary Page)

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (In Full): Carnes for Congress

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement / Disbursement for: ☒ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
Deane Kline Printer	Brochures	3-23-82	$2207.32
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement / Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement / Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement / Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement / Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement / Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement / Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement / Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement / Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
SUBTOTAL of Disbursements This Page (optional)			$2207.32
TOTAL This Period (last page this line number only)			$8935.51

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Exhibit "D":

The Oil Companies Are Out to Triple Our Gas Bills. They Must Be Stopped!

We need a person in Washington who will stand up for the gas consumer and not be bullied or bought by the big oil companies.

John Carnes is this person.

He is seeking election to the U. S. House of Representatives (the seat held by Richard Bolling who is retiring). He is dedicated and honest. He will work to stop the unbelievable and unreasonable rise in our gas bills. John Carnes needs our support.

Our gas bills are already too high, and they're rising quickly. The big oil companies want our bills to rise even faster. Their lobbyists are pressuring the Reagan administration and the Congress for total decontrol of natural gas prices. That means doubling or even tripling our gas bills, with massive windfall profits for the oil companies. We cannot afford this, and we need a person in Washington who will work to stop it.

John Carnes is the man for the job. He is a leader. He shows courage. He speaks out - - and he will stand up for the little guy against the big oil companies.

Get involved now - - before it is too late. The oil companies don't own this country yet, even though they would like to, and they won't in the future with a representative in Washington like John Carnes.

These are not ordinary times, and this is not an ordinary election. We need your help to send John Carnes to Congress. Call 833-2222 or send in the enclosed post card to get involved.

Consumers For Carnes Committee
Kevin McCormick, Chairman
1292 W. 72nd Terr. • Kansas City, Missouri 64114

Authorized by Carnes For Congress Committee, Mike Martin, Treasurer
Paid for by the State Democratic Committee

Exhibit "E":

Front:

We need a person in Washington who will stand up for the
Gas Consumer against the Big Oil Companies
YOUR HELP CAN MAKE A DIFFERENCE

COUNT ME IN! I would like to help John Carnes get elected to the U. S. Congress. I will:

_ display yard sign	_ put bumper sticker on car
_ help on election day	_ donate time at headquarters
_ have coffee or party	_ work on phone bank
_ distribute literature	_ make a financial contribution

Back:

Place
Stamp
Here

Consumers For Carnes Committee
Kevin McCormick, Chairman
113 West Lexington
Independence, Missouri 64050

Exhibit "F":

Balanced Budget: "We must re-establish the basic principle of a balanced federal budget and find a workable method of retiring the national debt. Then we need to enact legislation that will require a balanced federal budget annually. States, cities, families and individuals are required to live within their budgets, and the federal government should be no different. Government is supposed to be 'we the people.' Now is the time for it to start living like 'we the people.' "

John Carnes: Honest, open dedicated and hard working are words that best describe John. He is a 5th generation citizen of Jackson County with a family heritage of involvement in civic and governmental affairs. Being a Democrat comes naturally to John, his great aunt, Mrs. George P. Wallace, is sister-in-law of Bess Truman and Carnes states he is greatly influenced by the contribution Harry S. Truman made to our nation. John Carnes was elected to the Independence City Council in 1978 and re-elected to a 2nd term in 1980. He is a graduate of the University of Missouri-Kansas City. John believes it is time the people's view started being represented in Washington. He will be a member of Congress who will be working for you.

PRIMARY ELECTION, TUESDAY, AUGUST 3, 1982

Democratic rival criticizes Carnes mailing

By Mark Schlinkmann
Missouri Correspondent

Congressional candidate Jim Kenworthy complained Wednesday that John Carnes, one of his opponents in the 5th District Democratic primary, had distributed campaign brochures inaccurately implying that Mr. Carnes had been endorsed by the state party organization.

Mr. Kenworthy released copies of three pieces of Carnes campaign material bearing the statement, "Paid for by the State Democratic Committee."

Mr. Kenworthy called on Democratic State Chairman Pat Lea to investigate the incident and asked that Mr. Carnes' campaign send disclaimer notices to all people who had received the original materials.

"The impact . . . is to give the erroneous impression that candidate John Carnes is endorsed by or otherwise supported or assisted by the state Democratic committee," Mr. Kenworthy said in a letter to Mr. Lea. "Use and distribution of such material is untruthful, misleading to prospective voters in the Democratic primary, and prejudicial to me and to all other candidates" in the primary race.

He added that because one of the materials in question requests a financial contribution from those receiving it, it "raises an issue as to fraud" in mail solicitation.

Mr. Carnes, an Independence councilman, said Wednesday night there apparently had been "mis-communication between my campaign and the party." He said that Mr. Kenworthy's "concern is justified," but that if a mistake had been made it was an honest one.

Officials of the two committees listed on the materials Mr. Kenworthy referred to — the Carnes for Congress Committee and the Consumers for Carnes Committee — could not be reached for comment.

Mr. Lea, the Democratic state chairman, confirmed Wednesday night that any Carnes brochures claiming to have been paid for by the state Democratic committee were in error. He said the party maintains a position of strict neutrality in primary races.

He said that the state committee earlier this year began discussing allowing Democratic primary candidates to use the committee's bulk mailing permit but had not yet made a decision. A subcommittee has been appointed to study the idea, he said.

Mr. Carnes said Wednesday night he had been left with the impression that the state committee would let candidates use the mailing permit, as long as campaign literature bore the "Paid for by the State Democratic Committee" wording.

He characterized his campaign as a "poor boy" operation and said it was merely trying to get his views across at the lowest cost through the bulk mailing.

Mr. Lea said, however, that the party had not gone ahead and authorized mailings bearing the state committee wording. Even if the state committee had given the go-ahead, he added, any such mailings would have to be done by the state party on behalf of candidates and could not be done by the candidates' own committees.

Jane Simmons, the acting executive director of the state committee, said candidates can get a postage cost break if the state party does the mailing because the party is charged less than individual candidates for a bulk mail permit. Federal law sets the rate at 5.9 cents for a piece of mail for the state party committees and 10.9 cents for individual candidates, she said.

Mr. Lea said he would not answer Mr. Kenworthy's request for an investigation until after he received the letter.

Mr. Kenworthy, a Kansas City lawyer formerly employed by the U.S. Commerce Department, is running with Mr. Carnes in a nine-candidate Democratic primary field. Seven Republicans, a Socialist Workers Party candidate and an independent candidate also are in the race in the 5th District, which takes in Kansas City south of the Missouri River, Grandview, and parts of Independence and Raytown.

Mr. Kenworthy said copies of the letter and the Carnes materials were sent to Jackson County Democratic Chairman Sam Long, the other 5th District Democratic candidates and local news media.

Exhibit "G".

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

THIS IS THE BEGINNING OF MUR # 1451

Date Filmed 10/25/82 Camera No. 1

Cameraman Y.A.Q

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