



FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 8035

Date Filmed 6/30/86 Camera No. --- 2

Cameraman AS

86040394166

FEDERAL ELECTION COMMISSION

(1) Routing Slips (2) 12 Day Reports &

Comments (3) Internal Memos

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

96040594167

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

Signed *Eric S. Lufeld*
date *June 12, 1986*



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 12, 1986

Richard F. Smith, Esquire
Gardere & Wynne
1500 Diamond Shamrock Tower
Dallas, Texas 75201

RE: MUR 2035
Dallas County Victory '84
Fund and Judson Mark Sinclair,
treasurer

Dear Mr. Smith:

This is to advise you that after an investigation was conducted, the Commission concluded on May 6, 1986, that there is no probable cause to believe that your clients violated the Act. Accordingly the file in this matter, numbered MUR 2035, has been closed. This matter will become part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within 10 days.

If you have any questions, contact Eric Kleinfeld, the attorney assigned to handle this matter, at (202)376-5690.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles N. Steele".

Charles N. Steele
General Counsel

86040594158



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Richard F. Smith, Esquire
Gardere & Wynne
1500 Diamond Shamrock Tower
Dallas, Texas 75201

RE: MUR 2035
Dallas County Victory '84
Fund and Judson Mark Sinclair,
treasurer

Dear Mr. Smith:

This is to advise you that after an investigation was conducted, the Commission concluded on _____, 1986, that there is no probable cause to believe that your clients violated the Act. Accordingly the file in this matter, numbered MUR 2035, has been closed. This matter will become part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within 10 days.

If you have any questions, contact Eric Kleinfeld, the attorney assigned to handle this matter, at (202)376-5690.

Sincerely,

Charles N. Steele
General Counsel

SK
PWA

86040394169

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Dallas County Victory '84 Fund) MUR 2035
Judson Mark Sinclair, treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of May 6, 1986, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2035:

1. Find no probable cause to believe that the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b).
2. Find no probable cause to believe that the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 106.1.
3. Approve the letter attached to the General Counsel's report dated April 26, 1986.
4. Close the file.

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

Attest:

5-6-86

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

86040394170

SENSITIVE

EXECUTIVE SESSION

MAY 06 1986

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Dallas County Victory '84 Fund)
Judson Mark Sinclair, treasurer)
)

MUR 2025 AIO: 57
APR 28

GENERAL COUNSEL'S REPORT

I. BACKGROUND

The Dallas County Victory '84 Fund (the "Fund") was referred to the Office of General Counsel for failing to allocate \$42,891.30 in disbursements among candidates for federal office. On June 11, 1985, the Federal Election Commission ("Commission") determined there was reason to believe that the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 106.1.

Information received from the Fund in response to the Commission's reason to believe determination indicated that the subject of the disbursements was a series of mailings made by the Fund on behalf of the Reagan-Bush re-election campaign in 1984. The disbursements were made to two vendors for mailing-related expenses, "Millett the Printer" and "The Order Desk." Based on this information, the Commission, on November 13, 1985, determined there was reason to believe that the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b), by making prohibited independent expenditures on behalf of the 1984 Reagan-Bush campaign. The Fund responded to these determinations in writing on December 26, 1985. A brief notifying the fund of the General Counsel's intent to recommend to the Commission a finding of no probable cause to

86040394171

believe was mailed on April 14, 1986. The Fund's response was received on April 21, 1986.

II. LEGAL ANALYSIS

The Office of General Counsel relies chiefly upon its brief of April 11, 1986 for the analysis of this matter. The Fund filed a response brief concurring in the General Counsel's analysis and recommendations.

The disbursements of \$42,891.30 in this matter were made in connection with several mailings conducted by the Fund and consisted of the following: \$13,821.65 paid to Millett the Printer for printing services and \$29,069.65 paid to The Order Desk for mailing services. The mailings conducted by the Fund advocated the re-election of President Reagan and Vice President Bush.

The letters were printed by Millett the Printer. According to the Fund, in the affidavit of its co-chairman, June Coe, the remainder of the work on the mailings was accomplished by the Fund's approximately 5000 to 7000 volunteers. Thus, the Fund states that envelopes were stuffed and addressed by volunteer workers. The mailing lists used by the Fund were either assembled by the local party organization from its internally maintained computerized data bank or were manually prepared by volunteers from non-commercial sources.

The central issue in this matter is whether the Reagan-Bush mailings undertaken by the Fund can be considered "direct mail" and therefore, not exempt from the consequences of the Federal

86040594172

Election Campaign Act of 1971, as amended ("Act"). According to respondents, the mailing lists used were either internally generated or compiled from non-commercial sources. Respondents state that no lists were obtained from commercial vendors, and the invoices submitted by the Order Desk do not reflect any charge for lists.

According to respondents, the only services provided by a commercial vendor were affixing postage to and sealing some of the envelopes and delivering the letters to the post office. Such activity is not sufficient to meet the definition of direct mail, since the mailing lists and the letters were prepared by the Fund's volunteers. Thus the \$36,459 spent on the Reagan-Bush mailing would be considered exempt activity under the Act. The remaining disbursements were spent for generic get-out-the-vote activity not related to a particular federal candidate and would also be considered exempt activity under the Act.

Because the disbursements made by the Fund were not made on behalf of more than one candidate, 11 C.F.R. § 106.1 would not be triggered and no allocation between/among federal candidates would be required.

Therefore, the Office of General Counsel recommends that the Commission find no probable cause to believe that the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b) and also no probable cause to believe that the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 106.1.

86040594175

III. GENERAL COUNSEL'S RECOMMENDATIONS

The Office of General Counsel recommends that the Commission:

1. Find no probable cause to believe that the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b).
2. Find no probable cause to believe that the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 106.1.
3. Approve the attached letter.
4. Close the file.

26 June 1986
Date



Charles N. Steele
General Counsel

Attachments
1. Letter

86040594174



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Richard F. Smith, Esquire
Gardere & Wynne
1500 Diamond Shamrock Tower
Dallas, Texas 75201

RE: MUR 2035
Dallas County Victory '84
Fund and Judson Mark Sinclair,
treasurer

Dear Mr. Smith:

This is to advise you that after an investigation was conducted, the Commission concluded on , 1986, that there is no probable cause to believe that your clients violated the Act. Accordingly the file in this matter, numbered MUR 2035, has been closed. This matter will become part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within 10 days.

If you have any questions, contact Eric Kleinfeld, the attorney assigned to handle this matter, at (202)376-5690.

Sincerely,

Charles N. Steele
General Counsel

86040574175

GARDERE & WYNNE
ATTORNEYS AND COUNSELORS
1500 DIAMOND SHAMROCK TOWER
DALLAS, TEXAS 75201

214-979-4500

06 APR 18

P2: 31

GCC 250

TELECOPIER 214-979-4667
CABLE: GARWYN
TELEX 73-0197

WRITER'S DIRECT DIAL NUMBER

979-4709

April 14, 1986

Secretary, Federal Election Commission
Washington, D.C. 20463

Re: MUR 2035 - Dallas County Victory '84 Fund and Judson
Mark Sinclair, Treasurer

TO THE SECRETARY OF THE COMMISSION:

We have received the General Counsel's brief in this matter dated April 11, 1986, and on behalf of Dallas County Victory '84 Fund and Judson Mark Sinclair, its Treasurer, we agree with the factual findings and conclusions, legal analysis and recommendations contained in the General Counsel's brief. We request that the Commission concur in those recommendations.

Ten copies of this letter are enclosed for the Commission, and we are forwarding three additional copies to the Office of General Counsel.

Sincerely yours,

Richard F. Smith
Richard F. Smith

RFS:jgl
Enclosure

86040394176

17:31 APR 18



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE SEC
COMMISSIONER SECRETARY

00 APR 14 A 9: 46

April 14, 1986

SENSITIVE

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele
General Counsel *CNS*

SUBJECT: MUR 2035

Attached for the Commission's review is a brief stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. A copy of the brief and a letter notifying the respondents of the General Counsel's intent to recommend to the Commission a finding of no probable cause to believe were mailed on April 11, 1986. Following receipt of the respondents' reply to this notice, this Office will make a further report to the Commission.

Attachments

1. Brief
2. Letter to Respondent

86040394177



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 11, 1986

Richard F. Smith, Esquire
Gardere & Wynne
1500 Diamond Shamrock Tower
Dallas, Texas 75201

RE: MUR 2035
Dallas County Victory '84
Fund and Judson Mark Sinclair,
treasurer

Dear Mr. Smith:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by your clients, the Federal Election Commission, on June 11, 1985, found reason to believe that your clients had violated 2 U.S.C. § 434, a provision of the Act and 11 C.F.R. § 106.1 of the Commission's Regulations. On November 13, 1985, the Commission found reason to believe that your clients violated 2 U.S.C. § 441a of the Act and 11 C.F.R. § 110.7 of the Regulations.

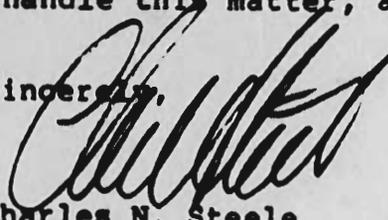
After considering all the evidence available to the Commission, the Office of General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred. The Commission may or may not approve the General Counsel's Recommendation.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your clients' position on the issues and replying to the brief of the General Counsel. Three copies of such brief should also be forwarded to the Office of General Counsel, if possible. The General Counsel's brief and any brief which you submit will be considered by the Commission before proceeding to a vote of no probable cause to believe a violation has occurred.

86040594178

Should you have any questions, please contact Eric Kleinfeld, the attorney assigned to handle this matter, at (202) 376-5690.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

86040794179

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Dallas County Victory '84 Fund) MUR 2035
Judson Mark Sinclair, treasurer)
)

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

The Dallas County Victory '84 Fund (the "Fund") was referred to the Office of General Counsel for failing to allocate \$42,891.30 in disbursements among candidates for federal office. On June 11, 1985, the Federal Election Commission ("Commission") determined there was reason to believe that the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 106.1.

Information received from the Fund in response to the Commission's reason to believe determination indicated that the subject of the disbursements was a series of mailings made by the Fund on behalf of the Reagan-Bush re-election campaign in 1984. The disbursements were made to two vendors for mailing-related expenses, "Millett the Printer" and "The Order Desk." Based on this information, the Commission, on November 13, 1985, determined there was reason to believe that the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b), by making prohibited independent expenditures on behalf of the 1984 Reagan-Bush campaign. The Fund responded to these determinations in writing on December 26, 1985.

II. Legal Analysis

The disbursements of \$42,891.30 in this matter were made in

86040594180

connection with several mailings conducted by the Fund and consisted of the following: \$13,821.65 paid to Millett the Printer for printing services and \$29,069.65 paid to The Order Desk for mailing services. The mailings conducted by the Fund advocated the re-election of President Reagan and Vice President Bush and were targeted toward specific voting groups, i.e. senior citizens, and Hispanic and Jewish voters.

The letters were printed by Millett the Printer. According to the Fund, in the affidavit of its co-chairman, June Coe, the remainder of the work on the mailings was accomplished by the Fund's approximately 5000 to 7000 volunteers. Thus, the Fund states that envelopes were stuffed and addressed by volunteer workers. The mailing lists used by the Fund were either assembled by the local party organization from its internally maintained computerized data bank or were manually prepared by volunteers from non-commercial sources. The officers of the fund have no recollection of having purchased or used any commercial mailing list for any of the Fund's mailings.

Once this volunteer work was completed the envelopes were turned over to the Order Desk, which used its postage machines to affix postage to the letters and then delivered them to the post office. The services of the Order Desk are documented by copies of cancelled checks and invoices submitted by the Fund in response to the Commission's request.

Party committees, including subordinate committees of a state party committee, may engage in certain activities that benefit the party's Presidential nominee and are, at the same

181650594181

time, exempt from the definition of expenditure. For example, a local party committee may pay the costs of get-out-the-vote activities on behalf of its Presidential and Vice-Presidential nominees, and, if certain conditions are met, such disbursements are exempt from the definition of expenditure. 11 C.F.R.

§ 100.8(b)(18). A local party committee may also pay the costs of campaign materials to be distributed by volunteers on behalf of the party's nominees, and again, if certain conditions are met, such disbursements will be not be considered expenditures. 11 C.F.R. § 100.8(b)(16).

However, other activities undertaken by local party committees, even in connection with the payment for campaign materials or get-out-the-vote activities will not be subject to the above-mentioned exemption. Any payment for the costs incurred by a local party committee in connection with the direct mail of campaign materials, 11 C.F.R. § 100.8(b)(16)(i), or with the direct mail of get-out-the-vote activities, 11 C.F.R. § 100.8(b)(18)(i), will not be considered exempt activity and instead will be subject to the definition of expenditure. The definition of "direct mail" for the purposes of 11 C.F.R. § 100.8(b)(16)(i) and § 100.8(b)(18)(i) is (1) any mailing made by a commercial vendor or (2) any mailing made from commercial lists.

The central issue in this matter is whether the Reagan-Bush mailings undertaken by the Fund can be considered "direct mail" and therefore, not exempt from the consequences of the Federal Election Campaign Act of 1971, as amended ("Act"). According to

2
8
1
1
6
5
0
4
0
9
2

respondents, the mailing lists used were either internally generated or compiled from non-commercial sources. Respondents state that no lists were obtained from commercial vendors, and the invoices submitted by the Order Desk do not reflect any charge for lists. Instead, the Fund states that the lists were developed as follows: the senior citizen addresses were compiled from nursing home directories, membership lists of associations for retired persons and the party's list of registered voters; the addresses of Hispanic voters were compiled from the party's internal lists; and the list of Jewish voters was compiled from lists of Jewish organizations and temples.

According to the affidavit of June Coe, co-chairman of the Fund, the only services provided by a commercial vendor were affixing postage to and sealing some of the envelopes and delivering the letters to the post office. Such activity is not sufficient to meet the definition of direct mail, since the mailing lists and the letters were prepared by the Fund's volunteers. For this to be deemed a mailing "made" by a commercial vendor, something more than the mere addition of postage would have to be performed by the vendor. The \$36,459 spent on the Reagan-Bush mailing would thus be considered exempt activity under the Act. The remaining disbursements were spent for generic get-out-the-vote activity not related to a particular federal candidate and would also be considered exempt activity under the Act.

004019180



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 11, 1986

Richard F. Smith, Esquire
Gardere & Wynne
1500 Diamond Shamrock Tower
Dallas, Texas 75201

RE: MUR 2035
Dallas County Victory '84
Fund and Judson Mark Sinclair,
treasurer

Dear Mr. Smith:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by your clients, the Federal Election Commission, on June 11, 1985, found reason to believe that your clients had violated 2 U.S.C. § 434, a provision of the Act and 11 C.F.R. § 106.1 of the Commission's Regulations. On November 13, 1985, the Commission found reason to believe that your clients violated 2 U.S.C. § 441a of the Act and 11 C.F.R. § 110.7 of the Regulations.

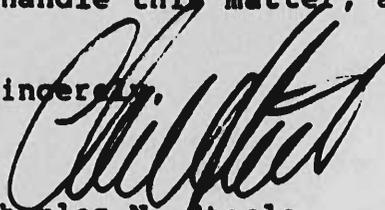
After considering all the evidence available to the Commission, the Office of General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred. The Commission may or may not approve the General Counsel's Recommendation.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your clients' position on the issues and replying to the brief of the General Counsel. Three copies of such brief should also be forwarded to the Office of General Counsel, if possible. The General Counsel's brief and any brief which you submit will be considered by the Commission before proceeding to a vote of no probable cause to believe a violation has occurred.

86040394185

Should you have any questions, please contact Eric Kleinfeld, the attorney assigned to handle this matter, at (202) 376-5690.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

85040:94186

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Dallas County Victory '84 Fund) MUR 2035
Judson Mark Sinclair, treasurer)
)

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

The Dallas County Victory '84 Fund (the "Fund") was referred to the Office of General Counsel for failing to allocate \$42,891.30 in disbursements among candidates for federal office. On June 11, 1985, the Federal Election Commission ("Commission") determined there was reason to believe that the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 106.1.

Information received from the Fund in response to the Commission's reason to believe determination indicated that the subject of the disbursements was a series of mailings made by the Fund on behalf of the Reagan-Bush re-election campaign in 1984. The disbursements were made to two vendors for mailing-related expenses, "Millett the Printer" and "The Order Desk." Based on this information, the Commission, on November 13, 1985, determined there was reason to believe that the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b), by making prohibited independent expenditures on behalf of the 1984 Reagan-Bush campaign. The Fund responded to these determinations in writing on December 26, 1985.

II. Legal Analysis

The disbursements of \$42,891.30 in this matter were made in

96040594187

connection with several mailings conducted by the Fund and consisted of the following: \$13,821.65 paid to Millett the Printer for printing services and \$29,069.65 paid to The Order Desk for mailing services. The mailings conducted by the Fund advocated the re-election of President Reagan and Vice President Bush and were targeted toward specific voting groups, i.e. senior citizens, and Hispanic and Jewish voters.

The letters were printed by Millett the Printer. According to the Fund, in the affidavit of its co-chairman, June Coe, the remainder of the work on the mailings was accomplished by the Fund's approximately 5000 to 7000 volunteers. Thus, the Fund states that envelopes were stuffed and addressed by volunteer workers. The mailing lists used by the Fund were either assembled by the local party organization from its internally maintained computerized data bank or were manually prepared by volunteers from non-commercial sources. The officers of the fund have no recollection of having purchased or used any commercial mailing list for any of the Fund's mailings.

Once this volunteer work was completed the envelopes were turned over to the Order Desk, which used its postage machines to affix postage to the letters and then delivered them to the post office. The services of the Order Desk are documented by copies of cancelled checks and invoices submitted by the Fund in response to the Commission's request.

Party committees, including subordinate committees of a state party committee, may engage in certain activities that benefit the party's Presidential nominee and are, at the same

83
1
4
9
5
0
4
0
3
9
4
1
8
3

respondents, the mailing lists used were either internally generated or compiled from non-commercial sources. Respondents state that no lists were obtained from commercial vendors, and the invoices submitted by the Order Desk do not reflect any charge for lists. Instead, the Fund states that the lists were developed as follows: the senior citizen addresses were compiled from nursing home directories, membership lists of associations for retired persons and the party's list of registered voters; the addresses of Hispanic voters were compiled from the party's internal lists; and the list of Jewish voters was compiled from lists of Jewish organizations and temples.

According to the affidavit of June Coe, co-chairman of the Fund, the only services provided by a commercial vendor were affixing postage to and sealing some of the envelopes and delivering the letters to the post office. Such activity is not sufficient to meet the definition of direct mail, since the mailing lists and the letters were prepared by the Fund's volunteers. For this to be deemed a mailing "made" by a commercial vendor, something more than the mere addition of postage would have to be performed by the vendor. The \$36,459 spent on the Reagan-Bush mailing would thus be considered exempt activity under the Act. The remaining disbursements were spent for generic get-out-the-vote activity not related to a particular federal candidate and would also be considered exempt activity under the Act.

001163040294190

Because the disbursements made by the Fund were not made on behalf of more than one candidate, 11 C.F.R. § 106.1 would not be triggered and no allocation between/among federal candidates would be required.

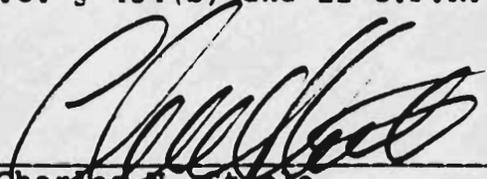
As a result of the foregoing, the Office of General Counsel recommends that the Commission find no probable cause to believe that the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b) and also no probable cause to believe that the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 106.1.

III. General Counsel's Recommendations

The Office of General Counsel recommends that the Commission:

1. Find no probable cause to believe that the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b); and
2. Find no probable cause to believe that the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 106.1.

11 April 1986
Date


Charles N. Steele
General Counsel

86040394191

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	
Dallas County Victory '84 Fund)	MUR 2035
Judson Mark Sinclair, treasurer)	
)	

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

The Dallas County Victory '84 Fund (the "Fund") was referred to the Office of General Counsel for failing to allocate \$42,891.30 in disbursements among candidates for federal office. On June 11, 1985, the Federal Election Commission ("Commission") determined there was reason to believe that the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 106.1.

Information received from the Fund in response to the Commission's reason to believe determination indicated that the subject of the disbursements was a series of mailings made by the Fund on behalf of the Reagan-Bush re-election campaign in 1984. The disbursements were made to two vendors for mailing-related expenses, "Millett the Printer" and "The Order Desk." Based on this information, the Commission, on November 13, 1985, determined there was reason to believe that the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b), by making prohibited independent expenditures on behalf of the 1984 Reagan-Bush campaign. The Fund responded to these determinations in writing on December 26, 1985.

II. Legal Analysis

The disbursements of \$42,891.30 in this matter were made in

86040394192

connection with several mailings conducted by the Fund and consisted of the following: \$13,821.65 paid to Millett the Printer for printing services and \$29,069.65 paid to The Order Desk for mailing services. The mailings conducted by the Fund advocated the re-election of President Reagan and Vice President Bush and were targeted toward specific voting groups, i.e. senior citizens, and Hispanic and Jewish voters.

The letters were printed by Millett the Printer. According to the Fund, in the affidavit of its co-chairman, June Coe, the remainder of the work on the mailings was accomplished by the Fund's approximately 5000 to 7000 volunteers. Thus, the Fund states that envelopes were stuffed and addressed by volunteer workers. The mailing lists used by the Fund were either assembled by the local party organization from its internally maintained computerized data bank or were manually prepared by volunteers from non-commercial sources. The officers of the fund have no recollection of having purchased or used any commercial mailing list for any of the Fund's mailings.

Once this volunteer work was completed the envelopes were turned over to the Order Desk, which used its postage machines to affix postage to the letters and then delivered them to the post office. The services of the Order Desk are documented by copies of cancelled checks and invoices submitted by the Fund in response to the Commission's request.

Party committees, including subordinate committees of a state party committee, may engage in certain activities that benefit the party's Presidential nominee and are, at the same

86040594193

time, exempt from the definition of expenditure. For example, a local party committee may pay the costs of get-out-the-vote activities on behalf of its Presidential and Vice-Presidential nominees, and, if certain conditions are met, such disbursements are exempt from the definition of expenditure. 11 C.F.R.

§ 100.8(b)(18). A local party committee may also pay the costs of campaign materials to be distributed by volunteers on behalf of the party's nominees, and again, if certain conditions are met, such disbursements will be not be considered expenditures. 11 C.F.R. § 100.8(b)(16).

However, other activities undertaken by local party committees, even in connection with the payment for campaign materials or get-out-the-vote activities will not be subject to the above-mentioned exemption. Any payment for the costs incurred by a local party committee in connection with the direct mail of campaign materials, 11 C.F.R. § 100.8(b)(16)(i), or with the direct mail of get-out-the-vote activities, 11 C.F.R.

§ 100.8(b)(18)(i), will not be considered exempt activity and instead will be subject to the definition of expenditure. The definition of "direct mail" for the purposes of 11 C.F.R.

§ 100.8(b)(16)(i) and § 100.8(b)(18)(i) is (1) any mailing made by a commercial vendor or (2) any mailing made from commercial lists.

The central issue in this matter is whether the Reagan-Bush mailings undertaken by the Fund can be considered "direct mail" and therefore, not exempt from the consequences of the Federal Election Campaign Act of 1971, as amended ("Act"). According to

86040594194

respondents, the mailing lists used were either internally generated or compiled from non-commercial sources. Respondents state that no lists were obtained from commercial vendors, and the invoices submitted by the Order Desk do not reflect any charge for lists. Instead, the Fund states that the lists were developed as follows: the senior citizen addresses were compiled from nursing home directories, membership lists of associations for retired persons and the party's list of registered voters; the addresses of Hispanic voters were compiled from the party's internal lists; and the list of Jewish voters was compiled from lists of Jewish organizations and temples.

86040594195

According to the affidavit of June Coe, co-chairman of the Fund, the only services provided by a commercial vendor were affixing postage to and sealing some of the envelopes and delivering the letters to the post office. Such activity is not sufficient to meet the definition of direct mail, since the mailing lists and the letters were prepared by the Fund's volunteers. For this to be deemed a mailing "made" by a commercial vendor, something more than the mere addition of postage would have to be performed by the vendor. The \$36,459 spent on the Reagan-Bush mailing would thus be considered exempt activity under the Act. The remaining disbursements were spent for generic get-out-the-vote activity not related to a particular federal candidate and would also be considered exempt activity under the Act.

Because the disbursements made by the Fund were not made on behalf of more than one candidate, 11 C.F.R. § 106.1 would not be triggered and no allocation between/among federal candidates would be required.

As a result of the foregoing, the Office of General Counsel recommends that the Commission find no probable cause to believe that the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b) and also no probable cause to believe that the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 106.1.

III. General Counsel's Recommendations

The Office of General Counsel recommends that the Commission:

1. Find no probable cause to believe that the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b); and
2. Find no probable cause to believe that the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 106.1.

86040394196

Date

Charles N. Steele
General Counsel



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Richard F. Smith, Esquire
Gardere & Wynne
1500 Diamond Shamrock Tower
Dallas, Texas 75201

RE: MUR 2035
Dallas County Victory '84
Fund and Judson Mark Sinclair,
treasurer

Dear Mr. Smith:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by your clients, the Federal Election Commission, on June 11, 1985, found reason to believe that your clients had violated 2 U.S.C. § 434, a provision of the Act and 11 C.F.R. § 106.1 of the Commission's Regulations. On November 13, 1985, the Commission found reason to believe that your clients violated 2 U.S.C. § 441a of the Act and 11 C.F.R. § 110.7 of the Regulations.

After considering all the evidence available to the Commission, the Office of General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred. The Commission may or may not approve the General Counsel's Recommendation.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your clients' position on the issues and replying to the brief of the General Counsel. Three copies of such brief should also be forwarded to the Office of General Counsel, if possible. The General Counsel's brief and any brief which you submit will be considered by the Commission before proceeding to a vote of no probable cause to believe a violation has occurred.

86040594197

7

Should you have any questions, please contact Eric Kleinfeld, the attorney assigned to handle this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Brief

86040394198

Klonfeld

GCC# 9285

Received

12-26-85

GARDERE & WYNNE
ATTORNEYS AND COUNSELORS

1500 DIAMOND SHAMROCK TOWER
DALLAS, TEXAS 75201

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

214-979-4500

TELECOPIER 214-979-8667
CABLE GARWYN
TELEX 73-0197

WRITER'S DIRECT DIAL NUMBER

979-4709

December 20, 1985

Ms. Joan D. Aikens
Vice Chairman
Federal Election Commission
Washington, D.C. 20463

REGISTERED MAIL

Re: MUR 2035, Dallas County Victory '84 Fund and
Judson Mark Sinclair, Treasurer

Dear Ms. Aikens:

This is in response to your letter dated December 3, 1985 (received December 5), in which you stated that the Commission on November 13, 1985 had concluded that there is reason to believe that the Dallas County Victory '84 Fund and its Treasurer had violated certain provisions of the Federal Election Campaign Act and the Commission's regulations, dealing with impermissible expenditures on behalf of presidential candidates by local party committees.

In your letter, you requested certain documents and other information. Substantially all of the documents that you requested are enclosed, with the following exceptions:

Document Request No. 6 asked for samples of letters sent to senior citizens and Jewish and Hispanic voters. Samples of the letters sent to senior citizens and Jewish voters are enclosed, but the Fund has been unable to locate a copy of the letter sent to Hispanic voters; the Fund's officers believe it is similar in size, content and format to the other two letters.

Document Request No. 8 asked for copies of certain mailings with respect to which The Order Desk performed services. The Fund's officers believe that all or virtually all of the services of The Order Desk were with respect to the mailings enclosed in response to Request Document Request No. 6. See paragraph C of the enclosed Affidavit of June Coe.

85 DEC 26 P 3:17

RECEIVED
GENERAL COUNSEL

Ms. Joan D. Aikens
December 20, 1985
Page 2

With respect to Document Request No. 9 there was no written authorization by the National Republican Party or the Republican Party of Texas authorizing the expenditures in question. As the enclosed Affidavit points out, the Fund was assured by a representative of the Republican Party of Texas that the mailings were in compliance with Federal Election Commission regulations.

The responses to the five questions included with your letter are contained in paragraphs B(1) - (5) of the enclosed Affidavit of June Coe, a co-chairman of the Fund.

As the enclosed information demonstrates, Dallas County Victory '84 was predominately a volunteer organization. It was managed entirely by volunteers, staffed by volunteers, and even by the standards of participatory politics it represented an outstanding outpouring of volunteer effort. The commercial services of The Order Desk were intended to be, and were, incidental to that volunteer effort. The mailing lists used by the Fund were either assembled by the Dallas County Republican Party from its internally generated and maintained computerized data bank, or were manually prepared by volunteers from a variety of non-commercial sources. The officers of the Fund have no recollection of having purchased or used any commercial mailing list for any of the Fund's mailings.

Volunteers prepared the mailings. They addressed the envelopes, stuffed the envelopes, and turned the completed product over to The Order Desk for The Order Desk to use its postage machines to affix the postage and deliver the letters to the post office. (For some mailings, the envelopes were sealed by the volunteers, and for others they were sealed by The Order Desk. For other mailings, The Order Desk was not involved at all.)

Based on these facts, the mailings in question were not "direct mail" within the meaning of 11 CFR §100.8(b)(16)(i), because they were not made by a commercial vendor or from commercial lists. Although the mailings were substantial in size, the size of the volunteer effort was even more substantial.

The officers of the Fund certainly acted with due respect for the Commission's regulations in that they consulted frequently with an apparently knowledgeable official of the Texas Reagan-Bush campaign and the State Republican Party's

00040324200

Ms. Joan D. Aikens
December 20, 1985
Page 3

Victory '84 political committee, and were assured that their activities were permissible under FEC regulations.

Based on the foregoing, we request that the Commission conclude that no violation of the Federal Election Campaign Act and the Commission's regulations has occurred.

Of course, if any additional information or documents are desired by the Commission or the Office of General Counsel, we will be pleased to provide them.

Sincerely yours,

Richard F. Smith
Richard F. Smith

RFS:jgl
Enclosures

06040394201

AFFIDAVIT OF JUNE COE

June Coe, being duly sworn, states and avers as follows:

A. James C. Oberwetter and I have, since its inception, served as co-chairmen of Dallas County Victory '84 Fund (the "Fund"). The Fund was a political committee organized as part of the Dallas County Republican Party.

B. The information requested by the Federal Election Commission in its letter dated December 3, 1985, regarding MUR 2035, is as follows:

1. The mailings listed in the July 1, 1985 Affidavit of Judson Mark Sinclair in connection with this matter were authorized by the co-chairmen of the Fund, James C. Oberwetter and me. Mr. Oberwetter's address is 7029 Meadow Lake Avenue, Dallas, Texas 75214, and my address is 6725 Regal Bluff, Dallas, Texas 75248.
2. The Fund had no paid staff. Mr. Oberwetter and I were unpaid volunteers. The only commercial vendor that performed any services with respect the mailings described in Mr. Sinclair's Affidavit was The Order Desk, whose activities are described below. All of the other work on the mailings described in Mr. Sinclair's Affidavit was performed by the Fund's approximately 5,000 - 7,000 volunteer workers.
3. Volunteers "stuffed" all of the envelopes used in all of the mailings described in Mr. Sinclair's

06040384202

Affidavit. Volunteers hand-addressed a substantial portion of the envelopes used in the mailings described in Mr. Sinclair's Affidavit, and affixed the labels on the envelopes used in the remainder of the mailings. Volunteers sealed a substantial portion of the envelopes used in the mailings. Volunteers performed all of the stacking, sorting and assembling required for the mailings.

4. The list for the mailing to Jewish voters identified in Mr. Sinclair's Affidavit was prepared by volunteers from directories of Jewish temples and other Jewish organizations. The list for the mailing to Hispanic voters identified in Mr. Sinclair's Affidavit was prepared (i) by volunteers using the membership list of Mexican-American Republicans of Texas, and (ii) by the Dallas County Republican Party, using a Hispanic-surname search of the Party's computerized list of registered voters. The list of volunteers themselves to whom mailings were made was manually prepared by volunteers from the Fund's own records. The mailing lists for the senior citizen mailings referred to in Mr. Sinclair's Affidavit were assembled (i) by volunteers, from nursing home directories; (ii) by volunteers from membership lists of various organizations of retired persons, such as retired

202510154203

military officers; (iii) by volunteers, using membership lists of church organizations; and (iv) by the Dallas County Republican Party from its own computerized list of registered voters and potential Republican voters (e.g., those who volunteered to work in the 1984 Presidential nominating convention in Dallas). To the best of my memory, those were the sources used to compile the mailing lists; specifically, I do not believe that the Fund used any commercial mailing lists for any of its mailings.

5. The Order Desk, using its postage meters, affixed postage for a substantial portion of the mailings identified in Mr. Sinclair's Affidavit. With respect to the remainder, volunteers put the stamps on manually. For at least some of the mailings listed in Mr. Sinclair's Affidavit, The Order Desk also sealed the envelopes. They also carried the finished letters to the post office. I do not believe that The Order Desk performed any other services in connection with the mailings.

C. Although the records of the Fund and of The Order Desk are not complete on this subject, I believe that the only mailings with respect to which The Order Desk performed any services were those identified in paragraph 4(e) of Mr. Sinclair's Affidavit.

SUBSCRIBED AND SWORN TO BEFORE ME this 19th day of December, 1985.

Richard F Smith
Notary Public in and for the State of Texas

(SEAL)
My Commission Expires:
3/31/87

RICHARD F. SMITH
(Print Name of Notary Public)

03951d

86040794205

Document Request 1.

Copies of cancelled checks listed
in paragraph 2 of Mr. Sinclair's Affidavit

86040394205

86040394207

Document Request 2.

Copies of cancelled checks listed in
paragraph 3 of Mr. Sinclair's Affidavit.

Reference: Paragra 2
 Affidavit of Judson Mark Sinclair

DALLAS COUNTY VICTORY '84 FUND 0584
2700 LTV TOWER
DALLAS, TEXAS 75201

257

Texas Commerce Bank
 DALLAS
 TEXAS COMMERCE BANK TOWER
 PLAZA OF THE AMERICAS
 DALLAS, TEXAS 75222

RETURNED NOT PAID
 by 32-115 _____ 10-18 19 84
 Endorsement
 Account Closed
 Signature _____
 Other encoding error

PAY TO THE ORDER OF The Order Desk \$ 15,540.00

Fifteen thousand five hundred forty and 00/100 DOLLARS

THIS CHECK IS DELIVERED IN CONNECTION WITH THE FOLLOWING ACCOUNTS:

Account	Date
<u>Order American</u>	
<u>Mailent</u>	

Judson Mark Sinclair

⑈000257⑈ ⑆⑆⑆⑆100⑆⑆150⑆⑆ ⑈0089623⑈ ⑈000⑆⑆554000⑆⑆

DALLAS COUNTY VICTORY '84 FUND 0584
2700 LTV TOWER
DALLAS, TEXAS 75201

285

Texas Commerce Bank
 DALLAS
 TEXAS COMMERCE BANK TOWER
 PLAZA OF THE AMERICAS
 DALLAS, TEXAS 75222

10-24 19 84

PAY TO THE ORDER OF The Order Desk \$ 11,205.20

Eleven thousand two hundred five and 20/100 DOLLARS

THIS CHECK IS DELIVERED IN CONNECTION WITH THE FOLLOWING ACCOUNTS:

Account	Date
<u>mailing - service</u>	
<u>Citizen</u>	

Judson Mark Sinclair

⑈000285⑈ ⑆⑆⑆⑆100⑆⑆150⑆⑆ ⑈0089623⑈ ⑈000⑆⑆20520⑆⑆

DALLAS COUNTY VICTORY '84 FUND 0584
2700 LTV TOWER
DALLAS, TEXAS 75201



TEXAS COMMERCE BANK TOWER
PLAZA OF THE AMERICAS
DALLAS, TEXAS 75222

05840312 - PROCESSED

288

Dallas

PAY TO THE
ORDER OF

The Order Desk

10/25/84

\$2000.00

Two thousand & no/100

DOLLARS

THIS CHECK IS DELIVERED IN CONNECTION WITH THE FOLLOWING ACCOUNTS.

Judson Mark Sinclair

⑈000288⑈

⑆⑆⑆100⑆⑆⑆50⑆

⑈0089623⑈

⑈0000200000⑈

DALLAS COUNTY VICTORY '84 FUND 0584
2700 LTV TOWER
DALLAS, TEXAS 75201



TEXAS COMMERCE BANK TOWER
PLAZA OF THE AMERICAS
DALLAS, TEXAS 75222

319094366 - PROCESSED

325

Dallas

PAY TO THE
ORDER OF

The Order Desk

11-7

1984

\$324.45

Three hundred twenty four and 45/100

DOLLARS

THIS CHECK IS DELIVERED IN CONNECTION WITH THE FOLLOWING ACCOUNTS.

Judson Mark Sinclair

⑈000325⑈

⑆⑆⑆100⑆⑆⑆50⑆

⑈0089623⑈

⑈0000032445⑈

Reference: Paragraph 3
Affidavit of Judson Mark Sinclair

DALLAS COUNTY VICTORY '84 FUND 0584
2700 LTV TOWER
DALLAS, TEXAS 75201

CLAMP CODE 102



TEXAS COMMERCE BANK TOWER
PLAZA OF THE AMERICAS
DALLAS, TEXAS 75222

315

11-7 19 84

PAY TO THE ORDER OF Millet the Printer \$ 141.79

One hundred forty one and 79/100 DOLLARS

THIS CHECK IS DELIVERED IN CONNECTION WITH THE FOLLOWING ACCOUNTS.

	Inv. # E 8912	

Judson Mark Sinclair

⑈0003 15⑈ ⑆111001150⑆ ⑈0089623⑈ ⑈0000014079⑈

DALLAS COUNTY VICTORY '84 FUND 0584
2700 LTV TOWER
DALLAS, TEXAS 75201

CLAMP CODE 102



TEXAS COMMERCE BANK TOWER
PLAZA OF THE AMERICAS
DALLAS, TEXAS 75222

328

11-7 19 84

PAY TO THE ORDER OF Millet the Printer, Inc. \$ 1,741.07

One thousand seven hundred forty one and 07/100 DOLLARS

THIS CHECK IS DELIVERED IN CONNECTION WITH THE FOLLOWING ACCOUNTS.

	No. E8776	

Judson Mark Sinclair

⑈0003 28⑈ ⑆111001150⑆ ⑈0089623⑈ ⑈0000174107⑈

DALLAS COUNTY VICTORY '84 FUND 0584
2700 LTV TOWER
DALLAS, TEXAS 75201

CLAMP CODE 102



TEXAS COMMERCE BANK TOWER
PLAZA OF THE AMERICAS
DALLAS, TEXAS 75222

335

Nov 14 19 84

PAY TO THE ORDER OF Millet the Printer \$ 327.97

Three hundred twenty seven and 97/100 DOLLARS

THIS CHECK IS DELIVERED IN CONNECTION WITH THE FOLLOWING ACCOUNTS.

	Invoice E 9018 E 9076	

Judson Mark Sinclair

⑈0003 28⑈ ⑆111001150⑆ ⑈0089623⑈ ⑈0000032797⑈

Reference: Paragraph 3
Affidavit of Judson Mark Sinclair

860407943
CLAIM CHECK 108

DALLAS COUNTY VICTORY '84 FUND 0584
2700 LTV TOWER
DALLAS, TEXAS 75201

 TEXAS COMMERCE BANK TOWER
PLAZA OF THE AMERICAS
DALLAS, TEXAS 75222

Dallas

240

10-11 19 84

PAY TO THE ORDER OF Millet the Printer \$ 546.28

Five hundred forty six and 28/100 DOLLARS

THIS CHECK IS DELIVERED IN CONNECTION WITH THE FOLLOWING ACCOUNTS.

		<u>Invoice # E 7734</u>		

Judson Mark Sinclair

⑈000240⑈ ⑆111001150⑆ ⑈0089623⑈ ⑈0000054628⑈

DALLAS COUNTY VICTORY '84 FUND 0584
2700 LTV TOWER
DALLAS, TEXAS 75201

 TEXAS COMMERCE BANK TOWER
PLAZA OF THE AMERICAS
DALLAS, TEXAS 75222

Dallas

243

10-11 19 84

PAY TO THE ORDER OF Millet the Printer \$ 420.84

Four hundred twenty and 84/100 DOLLARS

THIS CHECK IS DELIVERED IN CONNECTION WITH THE FOLLOWING ACCOUNTS.

		<u>Invoice # E 783</u>		

Judson Mark Sinclair

⑈000243⑈ ⑆111001150⑆ ⑈0089623⑈ ⑈0000042084⑈

DALLAS COUNTY VICTORY '84 FUND 0584
2700 LTV TOWER
DALLAS, TEXAS 75201



TEXAS COMMERCE BANK TOWER
PLAZA OF THE AMERICAS
DALLAS, TEXAS 75222

Dallas

261

10-19 19 84

PAY TO THE ORDER OF *Millet the Printer*

\$ 867.04

Eight hundred sixty seven and 04/100 DOLLARS

THIS CHECK IS DELIVERED IN CONNECTION WITH THE FOLLOWING ACCOUNTS.

		<i>Job # 129761</i>		
		<i>E 8062</i>		

⑈00026⑈

⑆⑆⑆100⑆⑆50⑆

⑈0089623⑈

⑈0000086704⑈

DALLAS COUNTY VICTORY '84 FUND 0584
2700 LTV TOWER
DALLAS, TEXAS 75201



TEXAS COMMERCE BANK TOWER
PLAZA OF THE AMERICAS
DALLAS, TEXAS 75222

Dallas

299

10-29 19 84

PAY TO THE ORDER OF *Millet the Printer*

\$ 9,777.66

Nine thousand seven hundred seventy seven and 66/100 DOLLARS

THIS CHECK IS DELIVERED IN CONNECTION WITH THE FOLLOWING ACCOUNTS.

		<i>E 753</i>	<i>E 717</i>	
		<i>E 8602</i>	<i>E 8145</i>	
		<i>E 8643</i>		

⑈000299⑈

⑆⑆⑆100⑆⑆50⑆

⑈0089623⑈

⑈0000977766⑈

Document Request 3.

Sample of envelope described in
paragraph 4(a) of Mr. Sinclair's Affidavit.

06040594213

Document Request 4.

Samples of materials prepared in connection
with get-out-the-vote activities
described in paragraph 4(b) of
Mr. Sinclair's Affidavit

86040394214

REAGAN-BUSH '84

The President's Authorized Campaign Committee
Dallas County

October 5, 1984

Chairmen

June Coe

Jim Oberwetter

Dear Republican Volunteer:

The Presidential election is less than 30 days away!!! The excitement is building as voters begin to decide who should lead our country for the next four years. Now is when campaigns are won or lost.

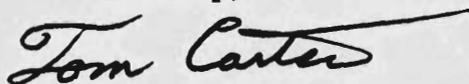
Your help is urgently needed to make our door-to-door voter advocacy and turn-out program a success. Please join us at Reagan-Bush Headquarters (Central Expressway between Caruth Haven and Southwestern) for the following activities:

1. Precinct literature drops and yard sign projects;
every Saturday morning, 10 a.m. to 1 p.m., followed by lunch.
2. Election day Victory Squads (door-to-door get out the vote);
1 - 4 p.m. and 4 - 7 p.m. shifts on Tuesday, November 6th.

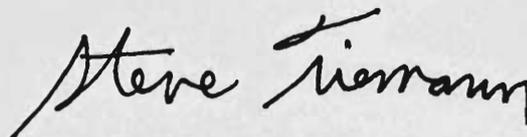
A handy calendar of these events is enclosed. Please review it and call Reagan-Bush Headquarters (696-0505) to volunteer for as many activities as you can.

Thank you for participating in this important effort. With your help we will win!

Sincerely,



Tom Carter
Walk Program Chairman



Steve Tiemann
Walk Program Co-Chairman

P. S. A special thanks to all of you who helped make the voter registration blitz a success. Over 1,000 volunteers reached almost 20,000 households and increased voter registration in these highly Republican precincts by over 6,000.

REAGAN-BUSH '84

The President's Authorized Campaign Committee
Dallas County

OCTOBER 1984						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
7 Presidential Debate #1 8:00 p.m.	8 Columbus Day <small>(observed)</small>	9	10	11 Vice Presidential Debate 8:00 p.m.	12	13 Precinct Walk 10 am-1 pm
14	15	16	17	18	19	20 Precinct Walk 10 am-1 pm
21 Presidential Debate #2 8:00 p.m.	22	23	24	25	26	27 Precinct Walk 10 am-1 pm
28	29	30	31 Halloween	1	2	3 Precinct Walk 10 am-1 pm
NOVEMBER						
4	5	6 Election Day Victory Squad 4-7pm 1-4 Victory Squad	7	8	9	10

★ ALL WALKS BEGIN AT REAGAN-BUSH HEADQUARTERS, 7828 NORTH CENTRAL EXPRESSWAY, BETWEEN CARUTH HAVEN AND SOUTHWESTERN. 696-0505.

WE NEED YOUR HELP!

Document Request 5.

Samples of absentee voter applications described
in paragraph 4(d) of Mr. Sinclair's Affidavit.

86040594217

Document Request 6.

Letters to senior citizens and Jewish voters,
described in paragraph 4(e) of Mr. Sinclair's Affidavit

86040374218

SENIORS FOR REAGAN-BUSH '84

STEERING COMMITTEE

The Honorable Steve Bartlett, M.C.

Honorary Chairman

James Collins

State Chairman

Charles Schwetke

County Chairman

Sheila Higgins

Vice-Chairman

Frances O. Arnold

George Ashmore

J. K. Bentley

Mabel Burns

Adolph Canales

James Z. Bessellieu

Gladys Beer

Dr. J. Hobson Crook

Leslie Hamilton

Nat Jensen

Mary Jo Lee

Howard E. Lee

Ruth Lilley

John McHolland

Lee McShan

Betty Meletio

Jack Meletio

Cecil Mills

Lucy Moorehead

Augie Ovard

Lucy Patterson

Florence Phelps

J. P. Phelps, Jr.

Kathryn Plews

Charlie E. Poole

W. R. Rucker

Dear Registered Voter:

The volunteers supporting President Reagan and Vice President Bush want you to have the following urgent information.

If you will be out of town on election day or are over 65 you are legally entitled to vote absentee--either in person or by completing the enclosed application to vote by mail.

A. To vote in person, 11 absentee voting locations are now open through November 2, (see enclosed list for the one nearest you).

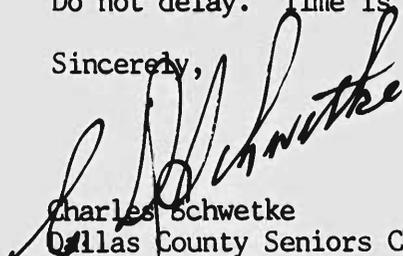
B. To vote by mail, (1) complete the enclosed yellow application, (2) tear off the instruction card, (3) place a 20¢ stamp on the completed and signed application and (4) mail it right away but postmarked no later than October 26.

By return mail you will receive a ballot from the absentee voting clerk. Vote your ballot promptly and mail it as instructed, hopefully by November 2. Your ballot and vote will count only if it is received by the absentee voting clerk by election day, November 6, by mail only.

We know that the President's opponents are desperately trying to mislead the public about the President's record on a variety of subjects including Social Security which the President has pledged to protect, (see enclosed literature). Won't you help us re-elect President Reagan and Vice President Bush by taking time now to vote absentee in person or by mail?

Do not delay. Time is short, and we urgently need your support.

Sincerely,



Charles Schwetke
Dallas County Seniors Chairman

P.S. We have enclosed an extra absentee application for you to make available to another registered voter who is eligible to vote absentee. Absentee voting locations are listed on the reverse side of this letter.

SENIORS FOR REAGAN-BUSH '84

STEERING COMMITTEE

The Honorable Steve Bartlett, M.C.

Honorary Chairman

James Collins

State Chairman

Charles Schwetke

County Chairman

Sheila Higgins

Vice-Chairman

Frances O. Arnold

George Ashmore

J. K. Bentley

Mabel Burns

Adolph Canales

James Z. Bessellieu

Gladys Beer

Dr. J. Hobson Crook

Leslie Hamilton

Nat Jensen

Mary Jo Lee

Howard E. Lee

Ruth Lilley

John McHolland

Lee McShan

Betty Meletio

Jack Meletio

Cecil Mills

Lucy Moorehead

Augie Ovard

Lucy Patterson

Florence Phelps

J. P. Phelps, Jr.

Kathryn Plews

Charlie E. Poole

W. R. Rucker

Dear Dallas County Citizen:

We are writing you because we are extremely concerned that opponents of President Reagan are trying to make Senior Citizens believe that the President is going to "gut" Social Security and Medicare.

Nothing could be farther from the Truth! They want to scare Senior Citizens into believing this nonsense. It is time for you to know the facts and pass them on to your friends and neighbors.

President Reagan - -

1. is the one who called for a bipartisan legislative effort to save the Social Security program when it was on the brink of bankruptcy.
2. is the one who proudly signed the legislation on April 20, 1983, insuring that Social Security would be safe and secure for years to come.
3. is the one who asked Congress to amend the law to allow for a Social Security cost of living adjustment to take place in January of next year.
4. is the one who has asked that a bipartisan agreement be reached to insure the long term solving of the Medicare program. He says, "We are doing everything we can do to try and insure that medical care will be both available and affordable for all Senior Citizens in our country."

You remember the Carter/Mondale administration! Inflation was raging at 17%...the cost of food, housing, energy and medical care was going through the roof, and Americans on fixed incomes were in serious trouble as was the entire American economy.

Look at the facts under the Reagan Administration:

1. The economy has recovered and employment is up.
2. Inflation rate is down to 3.4%.
3. Social Security benefits are up \$180.00 a month for the average couple...and those dollars are actually worth more.

REAGAN-BUSH '84

We want your vote!

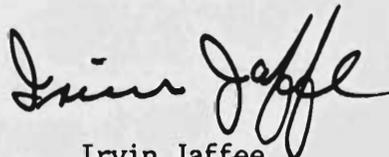
For the past four years President Reagan has been working hard for a strong America at home and abroad. The economic recovery at home is working with inflation down to under four percent, interest rates have been cut almost in half, taxes have been reduced by 25 percent.

At the same time, President Reagan and Vice President Bush have taken steps to strengthen American defenses and make our country respected once again around the world.

The choice to us in this election is very clear. Do we continue with the Reagan/Bush Administration, which has made such great progress over the past four years, or do we change to an Administration that would jeopardize the gains which have been made in the President's first term?

Our vote will be for President Reagan and Vice President Bush, and we ask you to join us in supporting them.

Sincerely,



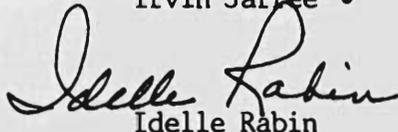
Irvin Jaffee



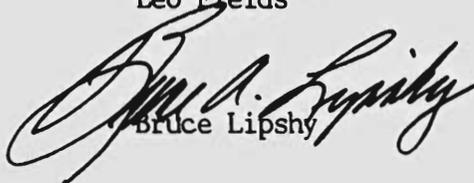
Leo Fields



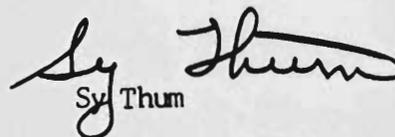
Don Zale



Idelle Rabin



Bruce Lipshy



Sy Thum

P.S. President Reagan and Vice President Bush have been strong supporters of Israel, possibly the strongest ever. Both the President and Vice President have made a strong statement deploring any anti-Semitism where the Democratic Party remained silent at their convention.

86040394221

86040794222

Document Request 7.

Sample of envelope described in paragraph 4(f) of
Mr. Sinclair's Affidavit.

86040394223

Document Request 10.

Copies of invoices from
The Order Desk

DALLAS COUNTY VICTORY '84 FUND 0584
2700 LTV TOWER
DALLAS, TEXAS 75201



TEXAS COMMERCE BANK TOWER
PLAZA OF THE AMERICAS
DALLAS, TEXAS 75222

257

PAY TO THE
ORDER OF

The Order Desk

10-18 19 84

\$ 15,540.00

Fifteen thousand five hundred forty and no/100 DOLLARS

THIS CHECK IS DELIVERED IN CONNECTION WITH THE FOLLOWING ACCOUNTS.

	<i>Old American</i>		
	<i>Maint</i>		

John Mark Sinclair

⑈000257⑈ ⑆⑆⑆⑆00⑆⑆50⑆

⑈0089623⑈

86040594224

The Order Desk

Invoice

P.O. Box 26303
Dallas, Texas 75226
Phone: 214-742-8431

Service by John Ross

TO:

Reagan / Bush
7828 N. Central Expwy
Dallas, Texas 75206
ATTN: TERRY BESSELLIEU

DATE: 10/29/84
INVOICE NUMBER: 11155
YOUR P.O. NUMBER:

DESCRIPTION	AMOUNT	TOTAL
Q-47,876		
Meter 1st class, deliver to PO-pick-up (8-trips)	\$2880.28	
Postage	12659.72	
	<u>\$15540.00</u>	
		<u>0</u>
PAID IN FULL		
Postage Deposit (TOD)	\$15540.00	
Postage Used	\$12659.72	
J.J.#12972	JOHN ROSS	
	<i>ck # 257</i>	
All accounts payable in Dallas, Dallas County, Texas		

DALLAS COUNTY VICTORY '84 FUND 0884
2700 LTV TOWER
DALLAS, TEXAS 75201



TEXAS COMMERCE BANK TOWER
PLAZA OF THE AMERICAS
DALLAS, TEXAS 75222

325

11-7

1984

PAY TO THE
ORDER OF

The Order Desk

\$ 324.45

Three hundred twenty four and 45/100

DOLLARS

THIS CHECK IS DELIVERED IN CONNECTION WITH THE FOLLOWING ACCOUNTS.

		<i>11153</i>		

John Ross

⑆000325⑆

⑆111001150⑆

⑆0089623⑆

86040324226

The Order Desk

Invoice

P.O. Box 26303
Dallas, Texas 75226
Phone: 214-742-8431

Service by John Ross

TO:

Dallas County Victory '84 Fund
2700 LTV Tower
Dallas, Texas 75201

DATE: 10/29/84
INVOICE NUMBER: 11153
YOUR P.O. NUMBER:

DESCRIPTION	AMOUNT	TOTAL
Q-9331		
Meter seal, deliver to PO, Pick-up material	\$458.24	
LESS POSTAGE HOLDING	-133.79	

	\$324.45	
TOTAL		\$324.45
Postage Deposit (TOD)	\$2000.00	
Postage Used	\$1866.21	
Postage Holding	\$ 133.79	
J.J.#12967	JOHN ROSS	
All accounts payable in Dallas, Dallas County, Texas		

SENSITIVE

85 NOV 5 P12: 40

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Dallas County Victory '84 Fund) MUR 2035
Judson Mark Sinclair, treasurer)
)

GENERAL COUNSEL'S REPORT

I. BACKGROUND

The Dallas County Victory '84 Fund (hereinafter the "Fund") and Judson Mark Sinclair, as treasurer, were referred to the Office of General Counsel by the Reports Analysis Division (hereinafter "RAD") for a possible violation of 11 C.F.R. §106.1. On June 11, 1985, the Federal Election Commission (hereinafter "Commission") determined that there is reason to believe that the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 106.1(a), by failing to allocate \$42,891.30 in disbursements among candidates for Federal office.

Reason to believe notification letters were mailed to respondents on June 18, 1985. On July 3, 1985, the Office of General Counsel received a written response from the Fund's counsel which included an affidavit sworn to by the treasurer of the Fund.

II. Legal Analysis

The response submitted by the Fund provided information concerning the \$42,891.30 in disbursements which were questioned by RAD. Of the total amount, \$13,821.65 was paid to "Millett the Printer" for printing services and \$29,069.65 was paid to "The Order Desk" for mailing services. The Fund further indicated that the above amounts were for the following specific purposes:

86040594227

(a) \$968.91 for printing 36,000 regular, letter-size envelopes of the fund.

(b) \$1,663.44 for preparing materials given or sent to volunteers in connection with election day get-out-the-vote activities.

(c) \$80.28 for press passes for a visit by Vice-President Bush to Dallas.

(d) \$3,719.05 for printing absentee voter applications to be sent to potential voters.

(e) \$3,713.73 for the printing and preparation of letters sent to senior citizens encouraging them to vote for the Reagan-Bush ticket.

(f) \$1,741.07 for the preparation of letters sent to Jewish and Hispanic voters in support of the Reagan-Bush ticket.

(g) \$1,935.17 for printing 77,500 letter-size Reagan-Bush ticket.

(h) \$2,324.45 for an additional mailing in support of the Reagan-Bush ticket.

(i) \$26,745.20 for mailing services in connection with a senior citizens mailing on behalf of the Reagan-Bush ticket.

Party committees, including subordinate committees of a state party committee, may engage in certain activities that benefit the party's Presidential nominee and are, at the same time, exempt from the definition of expenditure. For example, a local party committee may pay the costs of get-out-the-vote activities on behalf of its Presidential and Vice-Presidential nominees, and, if certain conditions are met, such disbursements are exempt from the definition of expenditure. 11 C.F.R. § 100.8(b)(18). A local party committee may also pay the costs of campaign materials to be distributed by volunteers on behalf of the party's nominees, and again, if certain conditions are met,

86040594228

such disbursements will not be considered expenditures. 11
C.F.R. § 100.8 (b)(16).

However, other activities undertaken by local party committees, even in connection with the payment for campaign materials or get-out-the-vote activities will not be subject to the above-mentioned exemption. Any payment for the costs incurred by a local party committee in connection with the direct mail of campaign materials, C.F.R. § 100.8(b)(16)(i), or with the direct mail of get-out-the-vote activities, 11 C.F.R. § 100.8(b)(18)(i), will not be considered exempt activities and instead will be subject to the definition of expenditure. The definition of "direct mail" for the purposes of 11 C.F.R. § 100.8(b)(16)(i) and § 100.8(b)(18)(i) is (1) any mailing made by a commercial vendor or (2) any mailing made from commercial lists.

Even where disbursements made by a local party committee are for non-exempt activities, the legality of such expenditures depends upon the circumstances under which they were made. Pursuant to 2 U.S.C. § 441a(d), the national committee of a political party is specifically permitted to make limited expenditures in connection with the general election campaign of its Presidential nominee. The Commission's Regulations further provide, at 11 C.F.R. § 110.7(a)(4), that "[t]he national committee of a political party may make expenditures authorized by this section through any designated agent, including state and subordinate party committees." Therefore, in order for a local

85040594229

party committee to make permissible coordinated party expenditures pursuant to 2 U.S.C. § 441a(d) for, as an example, direct mail activities on behalf of its Presidential nominee, not only must the local committee be authorized by the national committee as a designated agent, but such authorization must be granted in advance. Where the local party committee receives such prior authorization to make coordinated party expenditures, such expenditures are to be charged against the overall national committee expenditure limitation and reported by the national committee. 2 U.S.C. § 441a(d)(1) and (2); Advisory Opinion 1980-87.

In the alternative, if the expenditures made by the local party committee do not qualify as coordinated party expenditures and are not exempt activity as discussed above, such expenditures would be classified as an attempt by the local party committee to make independent expenditures on behalf of the party's Presidential and Vice-Presidential nominees. See Memorandum to the Commission, Re: Party Committee Expenditures, May 5, 1982. Party Committees are prohibited from making independent expenditures in connection with the general election campaign of a candidate for President. 11 C.F.R. § 110.7(a)(5) and § 110.7(b)(4). For a local party committee to make prohibited independent expenditures on behalf of its Presidential nominee would violate 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b). See Memorandum to the Commission of May 5, 1982, supra.

86040594230

The threshold question to be determined is whether the activities of the Fund, a local committee of the Republican party, can be classified as exempt from the meaning of expenditure. The Fund indicated it spent at least \$36,459 on mailings supporting the Reagan-Bush ticket. Counsel for respondents states,

The volunteers managing the Funds' activities were under the impression that mailings could be financed by a local party organization and were not required to be treated as campaign expenditures allocated to particular candidates, if significant volunteer activity were involved in addressing envelopes, stuffing them or the like.

However, it does not appear that respondents' activities can be considered activity exempt from the meaning of expenditure. The Fund cannot take advantage of either the campaign materials exemption or the get-out-the-vote activity exemption where the use of direct mail is involved. It is not clear, at this stage, whether volunteers for the Fund ever actually addressed or stuffed envelopes for the Reagan-Bush mailings at issue. It is clear, however, from the Fund's reports and its treasurer's affidavit, that the Fund disbursed over \$29,000 to an entity named "The Order Desk" for what the Fund labels "mailing services." If the Order Desk, as a commercial vendor, either made the mailings involved or supplied the lists for the mailings, it would appear that respondents' activities would not be exempt from the definition of expenditure. The reason this activity would not fall within the exemption, is because the use of a commercial vendor in providing such services brings the

06040594251

activity within the definition of direct mail. See 11 C.F.R. § 100.8(b)(16)(i) and § 100.8(b)(18)(i).

Since the Fund's disbursements would appear to qualify as expenditures, it must next be determined whether these expenditures are permissible coordinated party expenditures or prohibited independent expenditures. Although the Fund was not asked in connection with either RAD's inquiry or the Commission's initial reason to believe determinations, whether it ever received any authorization from the Republican National Committee or the Texas Republican Party to make coordinated party expenditures pursuant to 2 U.S.C. § 441a(d), nothing contained in the reports filed by the Fund indicates that the Fund was making coordinated party expenditures. In fact, respondents, in their communications with the Commission, make no argument or contention that any of the amounts expended for the Reagan-Bush mailings were coordinated party expenditures. 1/ In accordance with the General Counsel's Memorandum to the Commission of May 5, 1982, absent any evidence of authorization by the national party committee, expenditures made by a subordinate party committee in connection with the general election campaign of its candidate for President, should not be considered coordinated party expenditures and thus, not attributed to the national party.

1/ Respondents similarly make no contention that these expenditures were ever authorized by the national or state parties. The request for documents attached to this report seeks evidence of any such written authorization. See Attachment 2, page 5.

Also in accordance with the General Counsel's Memorandum, supra, where an expenditure made by a local party committee cannot be classified either as exempt activity or as coordinated party expenditures, such expenditures will be considered prohibited independent expenditures. From the evidence presently available to the Office of General Counsel, it is this office's opinion that the mailings conducted by the Fund on behalf of the Reagan-Bush ticket were done so without authorization from either the national or state party and thus, cannot qualify as coordinated party expenditures. At this stage of this matter, it appears that the expenditures made by the Fund were done so as independent expenditures. Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b), by making prohibited independent expenditures in the general election advocating the election of Ronald Reagan and George Bush. The Office of General Counsel also recommends that the Commission approve questions and a request for documents to be sent to respondents with regard to the nature and extent of the mailings at issue.

III. Recommendations

The Office of General Counsel recommends that the Commission:

86040394230

1. Find reason to believe that the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b).

2. Approve the attached letter with questions and a request for documents to be sent to respondents.

3. Approve the attached factual and legal analysis.

Charles N. Steele
General Counsel

November 4, 1985
Date

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

Attachments

1. Response
2. Questions and Requests for documents
3. Letter
4. Factual and legal analysis

8604059434

RECEIVED AT THE FEC

ATTACHMENT 1 ①

85 JUL 3 12:50

GARDERE & WYNNE
ATTORNEYS AND COUNSELORS
1500 DIAMOND SHAMROCK TOWER
DALLAS, TEXAS 75201

214-979-4500

TELECOPIER 214-979-4667
CABLE: GARWYN
TELEX 73-0187

WRITER'S DIRECT DIAL NUMBER

214-979-4709

July 1, 1985

Federal Election Commission
Washington, D.C. 20463

REGISTERED MAIL

Re: MUR2035 - Dallas County Victory '84 Fund

Gentlemen:

We represent the Dallas County Victory '84 Fund in connection with MUR2035. A statement of designation of counsel to that effect is enclosed. The Fund is a local party committee, affiliated with the Dallas County Republican Party.

By letter dated June 18, 1985, received by the Fund June 21, 1985, the Commission indicated that it had concluded that there had been a possible violation by the Fund of the Federal Election Campaign Act, and provided the Fund and its treasurer with an opportunity to submit additional information in this respect. The basis for the Commission's action was the failure of the Fund to respond to inquiries regarding whether \$42,891.30 of reported expenditures had been made on behalf of a specifically identified federal candidate and so disclosed.

As the enclosed Affidavit demonstrates, a substantial portion of the expenditures in question (those discussed in paragraphs 4(a) and (b) of the Affidavit) were not, under §106.1(c) of the Regulations, required to be allocated to any candidate.

The volunteers managing the Fund's activities were under the impression that mailings could be financed by a local party organization and were not required to be treated as campaign expenditures allocated to particular candidates, if significant volunteer activity were involved in addressing envelopes, stuffing them, or the like. Thus, they treated the expenditures described in paragraphs 4(d) through 4(g) of the Affidavit as expenses required to be reported but not required to be allocated to candidates.

15 JUL 3 12:55

RECEIVED
GENERAL COUNCIL

214-979-4709

Federal Election Commission
July 1, 1985
Page 2

We request the Commission's guidance as to the appropriate treatment of these expenditures, and are of course willing to file amended or corrected reports to the extent the Commission feels that such action is required.

Sincerely yours,

Richard F. Smith
Richard F. Smith

RFS:jgl
Enclosure

93040394236

AFFIDAVIT OF JUDSON MARK SINCLAIR

Judson Mark Sinclair, being duly sworn, states and avers as follows:

1. Dallas County Victory '84 Fund (the "Fund") is a political committee registered with the Federal Election Commission; its FEC identification number is CO0135426. I have served as its treasurer since its inception.

2. In its 30 day post-general election report covering the period October 1, 1984 through November 26, 1984, the Fund reported disbursements to The Order Desk for mailing services as follows:

<u>Check Number</u>	<u>Date of Disbursement</u>	<u>Amount of Disbursement</u>
257	10/18/84	\$15,540.00
285	10/24/84	\$11,205.20
288	10/25/84	\$ 2,000.00
325	11/7/84	\$ 324.45

3. In the same report, the Fund reported disbursements to Millet the Printer for printing services as follows:

<u>Check Number</u>	<u>Date of Disbursement</u>	<u>Amount of Disbursement</u>
240	10/11/84	\$ 546.28
243	10/11/84	\$ 420.84
261	10/19/84	\$ 867.04
299	10/29/84	\$9,777.66
315	11/7/84	\$ 140.79
328	11/7/84	\$1,741.07
335	11/14/84	\$ 327.97

4. To the best of my knowledge, based on information available to me at this time, the above disbursements were for the following specific purposes:

(a) \$968.91 (\$101.87 of check 299 and all of check 261) was for printing 36,000 regular, letter-size envelopes of the Fund.

(b) A total of \$1,663.44 (checks 243 and 315, plus \$854.12 of check 299, plus \$247.69 of check 335) were for the costs of preparing materials sent or given to volunteers in connection with election-day get-out-the-vote activities.

R6040594237

(c) \$80.28 (part of check 335) was for press passes for a visit by the Vice President to the Dallas area.

(d) \$3,719.05 (check 240 plus \$3,172.77 of check 299) was for printing absentee voter applications to be sent to potential voters.

(e) \$3,008.42 (part of check 299) was used predominately for the preparation of letters sent to senior citizens encouraging them to vote for the Reagan-Bush ticket, in person or by mail. In addition, \$705.31 (part of check 299) was for the printing of letters sent to senior citizens in support of the Reagan-Bush ticket. \$1,741.07 (check 328) was for the preparation of letters sent to Jewish and Hispanic voters in support of the Reagan-Bush ticket.

(f) \$1,935.17 (part of check 299) was for printing 77,500 letter-size Reagan-Bush envelopes.

(g) \$26,745.20 (checks 257 and 285) was for mailing services in connection with a senior citizen mailing on behalf of the Reagan-Bush ticket. \$2,324.45 (checks 288 and 325) was for another mailing in support of the Reagan-Bush ticket.

Judson Mark Sinclair
Judson Mark Sinclair

SUBSCRIBED AND SWORN TO BEFORE ME this 1st day of July, 1985.

Jeanne Gentry Lloyd
Notary Public, State of Texas

Jeanne Gentry Lloyd
(Print Name of Notary Public)

(Seal)

My Commission Expires:
2/2/89

1291d

86040594238

**REQUEST FOR DOCUMENTS AND QUESTIONS
FOR THE DALLAS COUNTY VICTORY '84 FUND
AND JUDSON MARK SINCLAIR, TREASURER**

On July 3, 1985, the Dallas County Victory '84 Fund (the "Fund") and Judson Mark Sinclair, as treasurer, submitted a written response, including an affidavit, to the reason to believe determinations made by the Federal Election Commission ("Commission") on June 11, 1985. Based in part on this response, the Commission further determined, on _____, 1985, that there is reason to believe the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b), by making prohibited expenditures in connection with the re-election campaign of Ronald Reagan and George Bush. As part of its investigation into this matter, the Commission requests that the following documents be provided and the following questions answered.

Request for Documents

1. Please submit copies of the cancelled checks listed in paragraph 2 of the Affidavit of Judson Mark Sinclair.

2. Please submit copies of the cancelled checks listed in paragraph 3 of the Affidavit of Judson Mark Sinclair.

3. Please submit a sample of the letter-size envelopes described in paragraph 4(a) of the Affidavit of Judson Mark Sinclair.

4. Please submit samples of all materials prepared in connection with election day get-out-the-vote activities, as described in paragraph 4(b) of the Affidavit of Judson Mark Sinclair.

5. Please submit a sample of the absentee voter applications described in paragraph 4(d) of the Affidavit of Judson Mark Sinclair.

6. Please submit copies of the letters prepared in support of the Reagan-Bush ticket and sent to senior citizens and Jewish and Hispanic voters, as described in paragraph 4(e) of the Affidavit of Judson Mark Sinclair.

7. Please submit a sample of the letter-size Reagan-Bush envelopes, as described in paragraph 4(f) of the Affidavit of Judson Mark Sinclair.

8. Please submit copies of the mailings made on behalf of the Reagan-Bush ticket, as described in paragraph 4(g) of the Affidavit of Judson Mark Sinclair.

9. Please submit copies of any written authorizations by the National Republican Party or the Republican Party of Texas authorizing the expenditures listed in the Affidavit of Judson Mark Sinclair.

86040594239

6

10. Please submit copies of all invoices used to purchase services of The Order Desk for each of the mailings listed in the Affidavit of Judson Mark Sinclair.

Questions

1. Please identify by name, address and position, all persons who authorized the mailings listed in the Affidavit of Judson Mark Sinclair.

2. Please describe what activities were undertaken by volunteers of the Fund in connection with each of the mailings listed in the Affidavit of Judson Mark Sinclair.

3. Please identify by name and address all volunteers of the Fund who were involved in the activities listed in answer to question 2 above.

4. Please describe how the lists of addresses were obtained for each of the mailings mentioned in the Affidavit of Judson Mark Sinclair.

5. Please describe the services provided by "The Order Desk" for each of the mailings listed in the Affidavit of Judson Mark Sinclair.

86040594240



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Richard F. Smith, Esquire
Gardere & Wayne
1500 Diamond Shamrock Tower
Dallas, Texas 75201

RE: MUR 2035
Dallas County Victory '84
Fund and Judson Mark
Sinclair, treasurer

Dear Mr. Smith:

On June 11, 1985, the Federal Election Commission determined that there is reason to believe that your clients violated 2 U.S.C. § 434(b), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 106.1 of the Commission's Regulations and instituted an investigation of this matter.

Upon further review of the information supplied by your clients, the Commission on , 1985, determined that there is reason to believe the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a of the Act and 11 C.F.R. § 110.7(a) and (b) of the Commission's Regulations. The General Counsel's factual and legal analysis, which formed a basis for the Commission's findings, is attached for your information.

You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your answers to the enclosed questions and the documents requested, within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your clients, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R.

96040594241

§ 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

The investigation now being conducted will be 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter at (202) 523-4000.

Sincerely,

John Warren McGarry
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

85040394242

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

Respondent: Dallas County Victory '84 Fund)
Judson Mark Sinclair, treasurer) MUR 2035
)

SUMMARY OF ALLEGATIONS

The Dallas County Victory '84 Fund (hereinafter the "Fund") and Judson Mark Sinclair, as treasurer, were referred to the Office of General Counsel by the Reports Analysis Division (hereinafter "RAD") for a possible violation of 11 C.F.R. §106.1. On June 11, 1985, the Federal Election Commission (hereinafter "Commission") determined that there is reason to believe that the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 106.1(a), by failing to allocate \$42,891.30 in disbursements among candidates for Federal office.

Reason to believe notification letters were mailed to respondents on June 18, 1985. On July 3, 1985, the Office of General Counsel received a written response from the Fund's counsel which included an affidavit sworn to by the treasurer of the Fund.

FACTUAL BASIS AND LEGAL ANALYSIS

The response submitted by the Fund provided information concerning the \$42,891.30 in disbursements which were questioned by RAD. Of the total amount, \$13,821.65 was paid to "Millett the Printer" for printing services and \$29,069.65 was paid to "The Order Desk" for mailing services. The Fund further indicated that the above amounts were for the following specific purposes:

06040594210

(a) \$968.91 for printing 36,000 regular, letter-size envelopes of the fund.

(b) \$1,663.44 for preparing materials given or sent to volunteers in connection with election day get-out-the-vote activities.

(c) \$80.28 for press passes for a visit by Vice-President Bush to Dallas.

(d) \$3,719.05 for printing absentee voter applications to be sent to potential voters.

(e) \$3,713.73 for the printing and preparation of letters sent to senior citizens encouraging them to vote for the Reagan-Bush ticket.

(f) \$1,741.07 for the preparation of letters sent to Jewish and Hispanic voters in support of the Reagan-Bush ticket.

(g) \$1,935.17 for printing 77,500 letter-size Reagan-Bush ticket.

(h) \$2,324.45 for an additional mailing in support of the Reagan-Bush ticket.

(i) \$26,745.20 for mailing services in connection with a senior citizens mailing on behalf of the Reagan-Bush ticket.

Party committees, including subordinate committees of a state party committee, may engage in certain activities that benefit the party's Presidential nominee and are, at the same time, exempt from the definition of expenditure. For example, a local party committee may pay the costs of get-out-the-vote activities on behalf of its Presidential and Vice-Presidential nominees, and, if certain conditions are met, such disbursements are exempt from the definition of expenditure. 11 C.F.R. § 100.8(b)(18). A local party committee may also pay the costs of campaign materials to be distributed by volunteers on behalf of the party's nominees, and again, if certain conditions are met,

940394244

such disbursements will not be considered expenditures. 11 C.F.R. § 100.8 (b) (16).

However, other activities undertaken by local party committees, even in connection with the payment for campaign materials or get-out-the-vote activities will not be subject to the above-mentioned exemption. Any payment for the costs incurred by a local party committee in connection with the direct mail of campaign materials, C.F.R. § 100.8(b) (16) (i), or with the direct mail of get-out-the-vote activities, 11 C.F.R. § 100.8(b) (18) (i), will not be considered exempt activities and instead will be subject to the definition of expenditure. The definition of "direct mail" for the purposes of 11 C.F.R. § 100.8(b) (16) (i) and § 100.8(b) (18) (i) is (1) any mailing made by a commercial vendor or (2) any mailing made from commercial lists.

Even where disbursements made by a local party committee are non-exempt activities, such expenditures may still be either permissible or impermissible, depending upon the circumstances under which they were made. Pursuant to 2 U.S.C. § 441a(d), the national committee of a political party is specifically permitted to make limited expenditures in connection with the general election campaign of its Presidential nominee. The Commission's Regulations further provide, at 11 C.F.R. § 110.7(a) (4), that "[t]he national committee of a political party may make expenditures authorized by this section through any designated agent, including state and subordinate party committees." Therefore, in order for a local party committee to make

permissible coordinated party expenditures pursuant to 2 U.S.C. §441a(d) for, as an example, direct mail activities on behalf of its Presidential nominee, not only must the local committee be authorized by the national committee as a designated agent, but such authorization must be granted in advance. See Commission Matter Under Review No. 1339. Where the local party committee receives such prior authorization to make coordinated party expenditures, such expenditures are to be charged against the overall national committee expenditure limitation and reported by the national committee. 2 U.S.C. § 441a(d) (1) and (2); Advisory Opinion 1980-87.

In the alternative, if the expenditures made by the local party committee do not qualify as coordinated party expenditures and are not exempt activity as discussed above, such expenditures would be classified as an attempt by the local party committee to make independent expenditures on behalf of the party's Presidential and Vice-Presidential nominees. Party Committees are prohibited from making independent expenditures in connection with the general election campaign of a candidate for President. 11 C.F.R. § 110.7(a)(5). 1/ For a local party committee to make prohibited independent expenditures on behalf of its Presidential

1/ Local party committees fall within this prohibition by virtue of their agency relationship with the party's national committee, bestowed upon them by 11 C.F.R. § 110.7(a)(4).

nominee would violate 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b). See Commission Matters Under Review Nos. 1339, 1328 and 1358.

The threshold question to be determined is whether the activities of the Fund, a local committee of the Republican party, can be classified as exempt from the meaning of expenditure. The Fund indicated it spent at least \$36,459 on mailings supporting the Reagan-Bush ticket. Counsel for respondents states,

The volunteers managing the Funds' activities were under the impression that mailings could be financed by a local party organization and were not required to be treated as campaign expenditures allocated to particular candidates, if significant volunteer activity were involved in addressing envelopes, stuffing them or the like.

However, it does not appear that respondents' activities can be considered activity exempt from the meaning of expenditure. The Fund cannot take advantage of either the campaign materials exemption or the get-out-the-vote activity exemption where the use of direct mail is involved. It is not clear, at this stage, whether volunteers for the Fund ever actually addressed or stuffed envelopes for the Reagan-Bush mailings at issue. It is clear, however, from the Fund's reports and its treasurer's affidavit, that the Fund disbursed over \$29,000 to an entity named "The Order Desk" for what the Fund labels "mailing services." If the Order Desk, as a commercial vendor, either made the mailings involved or supplied the lists for the

86040594247

mailings, the definition of direct mail would be satisfied, and respondents' activities would not be exempt from the definition of expenditure.

Since the Fund's disbursements would appear to qualify as expenditures, it must next be determined whether these expenditures are permissible coordinated party expenditures or prohibited independent expenditures. The Fund has produced no evidence, either in response to RAD's inquiry or in response to the Commission's reason to believe determinations, that it ever received any authorization from either the Republican National Committee or the Texas Republican Party to make coordinated party expenditures pursuant to 2 U.S.C. § 441a(d). Nothing contained in any reports filed by the Fund indicates that the Fund was making coordinated party expenditures. In fact, respondents, in their communications with the Commission, make no argument or contention that any of the amounts expended for the Reagan-Bush mailings were coordinated party expenditures. 2/ Absent any evidence of authorization by the national party committee, expenditures made by a subordinate party committee in connection with the general election campaign of its candidate for President, should not be considered coordinated party expenditures and thus, not attributed to the national party.

party
or as
e
e
unsel, it
the Fund

d thus,
is stage
the Fund
the
find
d and
441a and
endent
tion of
unsel
d a
ard to

2/ Respondents similarly make no contention that these expenditures were ever authorized by the national or state parties.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 3, 1985

Richard F. Smith, Esquire
Gardere & Wayne
1500 Diamond Shamrock Tower
Dallas, Texas 75201

RE: MUR 2035
Dallas County Victory '84
Fund and Judson Mark
Sinclair, treasurer

Dear Mr. Smith:

On June 11, 1985, the Federal Election Commission determined that there is reason to believe that your clients violated 2 U.S.C. § 434(b), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 106.1 of the Commission's Regulations and instituted an investigation of this matter.

Upon further review of the information supplied by your clients, the Commission on November 13, 1985, determined that there is reason to believe the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a of the Act and 11 C.F.R. § 110.7(a) and (b) of the Commission's Regulations. The General Counsel's factual and legal analysis, which formed a basis for the Commission's findings, is attached for your information.

You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your answers to the enclosed questions and the documents requested, within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your clients, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R.

86040594249

Additionally, where an expenditure made by a local party committee cannot be classified either as exempt activity or as coordinated party expenditures, such expenditures will be considered prohibited independent expenditures. From the evidence presently available to the Office of General Counsel, it is this office's opinion that the mailings conducted by the Fund on behalf of the Reagan-Bush ticket were done so without authorization from either the national or state party and thus, cannot qualify as coordinated party expenditures. At this stage of this matter, it appears that the expenditures made by the Fund were done so as independent expenditures. Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b), by making prohibited independent expenditures in the general election advocating the election of Ronald Reagan and George Bush. The Office of General Counsel also recommends that the Commission approve questions and a request for documents to be sent to respondents with regard to the nature and extent of the mailings at issue.

060403 > 4250

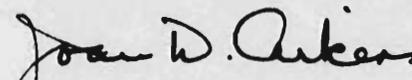
§ 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

The investigation now being conducted will be 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter at (202) 523-4000.

Sincerely,



Joan D. Aikens
Vice Chairman

Enclosures

General Counsel's Factual and Legal Analysis
Procedures

86040594251

**REQUEST FOR DOCUMENTS AND QUESTIONS
FOR THE DALLAS COUNTY VICTORY '84 FUND
AND JUDSON MARK SINCLAIR, TREASURER**

On July 3, 1985, the Dallas County Victory '84 Fund (the "Fund") and Judson Mark Sinclair, as treasurer, submitted a written response, including an affidavit, to the reason to believe determinations made by the Federal Election Commission ("Commission") on June 11, 1985. Based in part on this response, the Commission further determined, on _____, 1985, that there is reason to believe the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b), by making prohibited expenditures in connection with the re-election campaign of Ronald Reagan and George Bush. As part of its investigation into this matter, the Commission requests that the following documents be provided and the following questions answered.

Request for Documents

1. Please submit copies of the cancelled checks listed in paragraph 2 of the Affidavit of Judson Mark Sinclair.
2. Please submit copies of the cancelled checks listed in paragraph 3 of the Affidavit of Judson Mark Sinclair.
3. Please submit a sample of the letter-size envelopes described in paragraph 4(a) of the Affidavit of Judson Mark Sinclair.
4. Please submit samples of all materials prepared in connection with election day get-out-the-vote activities, as described in paragraph 4(b) of the Affidavit of Judson Mark Sinclair.
5. Please submit a sample of the absentee voter applications described in paragraph 4(d) of the Affidavit of Judson Mark Sinclair.
6. Please submit copies of the letters prepared in support of the Reagan-Bush ticket and sent to senior citizens and Jewish and Hispanic voters, as described in paragraph 4(e) of the Affidavit of Judson Mark Sinclair.
7. Please submit a sample of the letter-size Reagan-Bush envelopes, as described in paragraph 4(f) of the Affidavit of Judson Mark Sinclair.
8. Please submit copies of the mailings made on behalf of the Reagan-Bush ticket, as described in paragraph 4(g) of the Affidavit of Judson Mark Sinclair.
9. Please submit copies of any written authorizations by the National Republican Party or the Republican Party of Texas authorizing the expenditures listed in the Affidavit of Judson Mark Sinclair.

86040394252

10. Please submit copies of all invoices used to purchase services of The Order Desk for each of the mailings listed in the Affidavit of Judson Mark Sinclair.

Questions

1. Please identify by name, address and position, all persons who authorized the mailings listed in the Affidavit of Judson Mark Sinclair.

2. Please indicate whether volunteers, paid staff or commercial vendors worked on the mailings described in the affidavit of Judson Mark Sinclair, and how many of each were involved in these activities.

3. Please describe what activities were undertaken by volunteers of the Fund in connection with each of the mailings listed in the Affidavit of Judson Mark Sinclair.

4. Please describe how the lists of addresses were obtained for each of the mailings mentioned in the Affidavit of Judson Mark Sinclair.

5. Please describe the services provided by "The Order Desk" for each of the mailings listed in the Affidavit of Judson Mark Sinclair.

86040594250

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

Respondent: Dallas County Victory '84 Fund)
Judson Mark Sinclair, treasurer)

MUR 2035

SUMMARY OF ALLEGATIONS

The Dallas County Victory '84 Fund (hereinafter the "Fund") and Judson Mark Sinclair, as treasurer, were referred to the Office of General Counsel by the Reports Analysis Division (hereinafter "RAD") for a possible violation of 11 C.F.R. §106.1. On June 11, 1985, the Federal Election Commission (hereinafter "Commission") determined that there is reason to believe that the Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 106.1(a), by failing to allocate \$42,891.30 in disbursements among candidates for Federal office.

Reason to believe notification letters were mailed to respondents on June 18, 1985. On July 3, 1985, the Office of General Counsel received a written response from the Fund's counsel which included an affidavit sworn to by the treasurer of the Fund.

FACTUAL BASIS AND LEGAL ANALYSIS

The response submitted by the Fund provided information concerning the \$42,891.30 in disbursements which were questioned by RAD. Of the total amount, \$13,821.65 was paid to "Millett the Printer" for printing services and \$29,069.65 was paid to "The Order Desk" for mailing services. The Fund further indicated that the above amounts were for the following specific purposes:

86040594254

(a) \$968.91 for printing 36,000 regular, letter-size envelopes of the fund.

(b) \$1,663.44 for preparing materials given or sent to volunteers in connection with election day get-out-the-vote activities.

(c) \$80.28 for press passes for a visit by Vice-President Bush to Dallas.

(d) \$3,719.05 for printing absentee voter applications to be sent to potential voters.

(e) \$3,713.73 for the printing and preparation of letters sent to senior citizens encouraging them to vote for the Reagan-Bush ticket.

(f) \$1,741.07 for the preparation of letters sent to Jewish and Hispanic voters in support of the Reagan-Bush ticket.

(g) \$1,935.17 for printing 77,500 letter-size Reagan-Bush ticket.

(h) \$2,324.45 for an additional mailing in support of the Reagan-Bush ticket.

(i) \$26,745.20 for mailing services in connection with a senior citizens mailing on behalf of the Reagan-Bush ticket.

86040394255

Party committees, including subordinate committees of a state party committee, may engage in certain activities that benefit the party's Presidential nominee and are, at the same time, exempt from the definition of expenditure. For example, a local party committee may pay the costs of get-out-the-vote activities on behalf of its Presidential and Vice-Presidential nominees, and, if certain conditions are met, such disbursements are exempt from the definition of expenditure. 11 C.F.R. § 100.8(b)(18). A local party committee may also pay the costs of campaign materials to be distributed by volunteers on behalf of the party's nominees, and again, if certain conditions are met,

such disbursements will not be considered expenditures. 11 C.F.R. § 100.8 (b)(16).

However, other activities undertaken by local party committees, even in connection with the payment for campaign materials or get-out-the-vote activities will not be subject to the above-mentioned exemption. Any payment for the costs incurred by a local party committee in connection with the direct mail of campaign materials, C.F.R. § 100.8(b)(16)(i), or with the direct mail of get-out-the-vote activities, 11 C.F.R. § 100.8(b)(18)(i), will not be considered exempt activities and instead will be subject to the definition of expenditure. The definition of "direct mail" for the purposes of 11 C.F.R. § 100.8(b)(16)(i) and § 100.8(b)(18)(i) is (1) any mailing made by a commercial vendor or (2) any mailing made from commercial lists.

Even where disbursements made by a local party committee are non-exempt activities, such expenditures may still be either permissible or impermissible, depending upon the circumstances under which they were made. Pursuant to 2 U.S.C. § 441a(d), the national committee of a political party is specifically permitted to make limited expenditures in connection with the general election campaign of its Presidential nominee. The Commission's Regulations further provide, at 11 C.F.R. § 110.7(a)(4), that "[t]he national committee of a political party may make expenditures authorized by this section through any designated agent, including state and subordinate party committees." Therefore, in order for a local party committee to make

86040594256

permissible coordinated party expenditures pursuant to 2 U.S.C. §441a(d) for, as an example, direct mail activities on behalf of its Presidential nominee, not only must the local committee be authorized by the national committee as a designated agent, but such authorization must be granted in advance. See Commission Matter Under Review No. 1339. Where the local party committee receives such prior authorization to make coordinated party expenditures, such expenditures are to be charged against the overall national committee expenditure limitation and reported by the national committee. 2 U.S.C. § 441a(d) (1) and (2); Advisory Opinion 1980-87.

In the alternative, if the expenditures made by the local party committee do not qualify as coordinated party expenditures and are not exempt activity as discussed above, such expenditures would be classified as an attempt by the local party committee to make independent expenditures on behalf of the party's Presidential and Vice-Presidential nominees. Party Committees are prohibited from making independent expenditures in connection with the general election campaign of a candidate for President. 11 C.F.R. § 110.7(a) (5). 1/ For a local party committee to make prohibited independent expenditures on behalf of its Presidential

1/ Local party committees fall within this prohibition by virtue of their agency relationship with the party's national committee, bestowed upon them by 11 C.F.R. § 110.7(a) (4).

06040994237

nominee would violate 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b). See Commission Matters Under Review Nos. 1339, 1328 and 1358.

The threshold question to be determined is whether the activities of the Fund, a local committee of the Republican party, can be classified as exempt from the meaning of expenditure. The Fund indicated it spent at least \$36,459 on mailings supporting the Reagan-Bush ticket. Counsel for respondents states,

The volunteers managing the Funds' activities were under the impression that mailings could be financed by a local party organization and were not required to be treated as campaign expenditures allocated to particular candidates, if significant volunteer activity were involved in addressing envelopes, stuffing them or the like.

However, it does not appear that respondents' activities can be considered activity exempt from the meaning of expenditure. The Fund cannot take advantage of either the campaign materials exemption or the get-out-the-vote activity exemption where the use of direct mail is involved. It is not clear, at this stage, whether volunteers for the Fund ever actually addressed or stuffed envelopes for the Reagan-Bush mailings at issue. It is clear, however, from the Fund's reports and its treasurer's affidavit, that the Fund disbursed over \$29,000 to an entity named "The Order Desk" for what the Fund labels "mailing services." If the Order Desk, as a commercial vendor, either made the mailings involved or supplied the lists for the

86040594238

mailings, the definition of direct mail would be satisfied, and respondents' activities would not be exempt from the definition of expenditure.

Since the Fund's disbursements would appear to qualify as expenditures, it must next be determined whether these expenditures are permissible coordinated party expenditures or prohibited independent expenditures. The Fund has produced no evidence, either in response to RAD's inquiry or in response to the Commission's reason to believe determinations, that it ever received any authorization from either the Republican National Committee or the Texas Republican Party to make coordinated party expenditures pursuant to 2 U.S.C. § 441a(d). Nothing contained in any reports filed by the Fund indicates that the Fund was making coordinated party expenditures. In fact, respondents, in their communications with the Commission, make no argument or contention that any of the amounts expended for the Reagan-Bush mailings were coordinated party expenditures. 2/ Absent any evidence of authorization by the national party committee, expenditures made by a subordinate party committee in connection with the general election campaign of its candidate for President, should not be considered coordinated party expenditures and thus, not attributed to the national party.

2/ Respondents similarly make no contention that these expenditures were ever authorized by the national or state parties.

06040594359

86040594260

Additionally, where an expenditure made by a local party committee cannot be classified either as exempt activity or as coordinated party expenditures, such expenditures will be considered prohibited independent expenditures. From the evidence presently available to the Office of General Counsel, it is this office's opinion that the mailings conducted by the Fund on behalf of the Reagan-Bush ticket were done so without authorization from either the national or state party and thus, cannot qualify as coordinated party expenditures. At this stage of this matter, it appears that the expenditures made by the Fund were done so as independent expenditures. Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b), by making prohibited independent expenditures in the general election advocating the election of Ronald Reagan and George Bush. The Office of General Counsel also recommends that the Commission approve questions and a request for documents to be sent to respondents with regard to the nature and extent of the mailings at issue.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2035
Dallas County Victory '84 Fund)
Judson Mark Sinclair, treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of November 13, 1985, do hereby certify that the Commission took the following actions in MUR 2035:

1. Decided by a vote of 5-0 to amend the interrogatories attached to the General Counsel's report dated November 4, 1985, pursuant to the discussion held in the meeting.
2. Decided by a vote of 5-0 to
 - a) Find reason to believe that the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b).
 - b) Approve and send the letter with questions and a request for documents, as recommended in the General Counsel's report dated March 4, 1985, subject to amendment of the questions as agreed.

(continued)

86040594261

- c) Approve the factual and legal analysis attached to the General Counsel's report dated November 4, 1985.

Commissioners Aikens, Elliott, Harris, Josefiak, and McGarry voted affirmatively for the decisions; Commissioner McDonald was not present.

Attest:

11-14-85

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

86040594261

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2035
Dallas County Victory '84 Fund)
Judson Mark Sinclair, treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of November 13, 1985, do hereby certify that the Commission took the following actions in MUR 2035:

1. Decided by a vote of 5-0 to amend the interrogatories attached to the General Counsel's report dated November 4, 1985, pursuant to the discussion held in the meeting.
2. Decided by a vote of 5-0 to
 - a) Find reason to believe that the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b).
 - b) Approve and send the letter with questions and a request for documents, as recommended in the General Counsel's report dated March 4, 1985, subject to amendment of the questions as agreed.

(continued)

86040594260

- c) Approve the factual and legal analysis attached to the General Counsel's report dated November 4, 1985.

Commissioners Aikens, Elliott, Harris, Josefiak, and McGarry voted affirmatively for the decisions; Commissioner McDonald was not present.

Attest:

11-14-85

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

86040594264



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 18, 1985

Judson Mark Sinclair, Treasurer
Dallas County Victory '84 Fund
2001 Ross Avenue
Suite 2800
Dallas, Texas 75201

RE: MUR 2035
Dallas County Victory '84 Fund
Judson Mark Sinclair, as treasurer

Dear Mr. Sinclair:

On June 11, 1985, the Federal Election Commission determined that there is reason to believe Dallas County Victory '84 Fund and you, as treasurer, violated 2 U.S.C. § 434(b) and 11 CFR § 106.1(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and the corresponding regulation. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within ten days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form

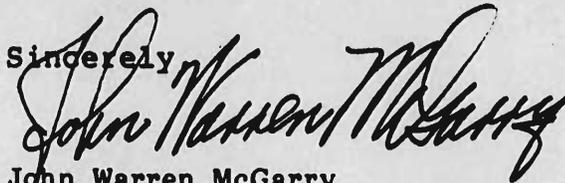
Letter to Judson Mark Sinclair, Treasurer
Page 2

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.

The investigation now being conducted will be 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Judy Thedford, at (202) 523-4000.

Sincerely,



John Warren McGarry
Chairman

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

86040594266

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 2035

RESPONDENT: Dallas County Victory '84 Fund
Judson Mark Sinclair, Treasurer

SUMMARY OF ALLEGATION

The 1984 30 Day Post-General Election Report filed by the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, ("the Fund") disclosed \$42,891 in disbursements for printing and mailing services. The Commission's Reports Analysis Division ("RAD") requested clarification of the payments from the respondents. Specifically, RAD questioned whether any of these disbursements were made on behalf of a specifically identified Federal candidate; and if so, the disbursements should then be disclosed as in-kind contributions or coordinated expenditures. The respondents failed to respond to the RAD inquiry.

FACTUAL AND LEGAL ANALYSIS

2 U.S.C. § 434(b)(5)(A) requires the reporting of the name and address of each:

person to whom an expenditure in an aggregate amount or value in excess of \$200 within the calendar year is made by the reporting committee to meet a candidate or committee operating expense, together with the date, amount, and purpose of such operating expenditure.

11 CFR § 106.1(a) states,

Expenditures, ... made on behalf of more than one candidate shall be attributed to each candidate, in porportion to, and shall be reported to reflect, the benefit reasonably expected to be derived.

The following disbursements were reported by the Fund, for printing and mailing services on its 1984 30 Day Post-General Election Report:

<u>Payee</u>	<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
Millet the Printer	Printing Services	10/11/84	\$ 546.28
		10/11/84	420.84
		10/19/84	867.04
		10/29/84	9,777.66
		11/07/84	140.79
		11/07/84	1,741.07
		11/14/84	327.97
The Order Desk	Mailing Services	10/18/84	15,540.00
		10/24/84	11,205.20
		10/25/84	2,000.00
		11/07/84	324.45

The Fund received two notices dated February 8, and 28, 1985, and one phone call on April 8, 1985, from the Commission's Reports Analysis Division inquiring into whether any of the disbursements were made on behalf of a Federal candidate. These repeated requests were not answered by the Fund. Therefore, Office of General Counsel recommends opening a MUR and finding reason to believe the Fund violated 2 U.S.C. § 434(a) and 11 CFR § 106.1(a).

86040594268



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Judson Mark Sinclair, Treasurer
Dallas County Victory '84 Fund
2001 Ross Avenue
Suite 2800
Dallas, Texas 75201

RE: MUR
Dallas County Victory '84 Fund
Judson Mark Sinclair, as treasurer

Dear Mr. Sinclair:

On , 1985, the Federal Election Commission determined that there is reason to believe Dallas County Victory '84 Fund and you, as treasurer, violated 2 U.S.C. § 434(b) and 11 CFR § 106.1(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and the corresponding regulation. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within ten days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form

86040594269

Letter to Judson Mark Sinclair, Treasurer
Page 2

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.

The investigation now being conducted will be 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Judy Thedford, at (202) 523-4000.

Sincerely,

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

J
6/14/88

86040594270



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Judson Mark Sinclair, Treasurer
Dallas County Victory '84 Fund
2001 Ross Avenue
Suite 2800
Dallas, Texas 75201

RE: MUR
Dallas County Victory '84 Fund
Judson Mark Sinclair, as treasurer

Dear Mr. Sinclair:

On , 1985, the Federal Election Commission determined that there is reason to believe Dallas County Victory '84 Fund and you, as treasurer, violated 2 U.S.C. § 434(b) and 11 CFR § 106.1(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and the corresponding regulation. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within ten days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form

86040594271

Letter to Judson Mark Sinclair, Treasurer
Page 2

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.

The investigation now being conducted will be 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Judy Thedford, at (202) 523-4000.

Sincerely,

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

86040594272

6-001920
RECEIVED AT THE FEC

GARDNER & WYNNE
ATTORNEYS AND COUNSELORS
1500 DIAMOND SHAMROCK TOWER
DALLAS, TEXAS 75201

85 JUL 3 12:50

214-979-4800

TELECOPIER 214-979-4667
CABLE: GARWYN
TELEX 73-0197

WRITER'S DIRECT DIAL NUMBER
214-979-4709

July 1, 1985

Federal Election Commission
Washington, D.C. 20463

REGISTERED MAIL

Re: MUR2035 - Dallas County Victory '84 Fund

Gentlemen:

We represent the Dallas County Victory '84 Fund in connection with MUR2035. A statement of designation of counsel to that effect is enclosed. The Fund is a local party committee, affiliated with the Dallas County Republican Party.

By letter dated June 18, 1985, received by the Fund June 21, 1985, the Commission indicated that it had concluded that there had been a possible violation by the Fund of the Federal Election Campaign Act, and provided the Fund and its treasurer with an opportunity to submit additional information in this respect. The basis for the Commission's action was the failure of the Fund to respond to inquiries regarding whether \$42,891.30 of reported expenditures had been made on behalf of a specifically identified federal candidate and so disclosed.

As the enclosed Affidavit demonstrates, a substantial portion of the expenditures in question (those discussed in paragraphs 4(a) and (b) of the Affidavit) were not, under §106.1(c) of the Regulations, required to be allocated to any candidate.

The volunteers managing the Fund's activities were under the impression that mailings could be financed by a local party organization and were not required to be treated as campaign expenditures allocated to particular candidates, if significant volunteer activity were involved in addressing envelopes, stuffing them, or the like. Thus, they treated the expenditures described in paragraphs 4(d) through 4(g) of the Affidavit as expenses required to be reported but not required to be allocated to candidates.

15 JUL 3 12:55
RECEIVED
GENERAL COUNSEL

040594273

Federal Election Commission
July 1, 1985
Page 2

We request the Commission's guidance as to the appropriate treatment of these expenditures, and are of course willing to file amended or corrected reports to the extent the Commission feels that such action is required.

Sincerely yours,

Richard F. Smith
Richard F. Smith

RFS:jgl
Enclosure

86040394274

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2035

NAME OF COUNSEL: Richard F. Smith and

ADDRESS: Dean Wilkerson

Gardere & Wynne

1500 Diamond Shamrock Tower, Dallas, Texas 75201

TELEPHONE: (214) 979-4709

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.

7/1/85
Date

Judson Mark Sinclair
Signature

RESPONDENT'S NAME: Dallas County Victory '84 Fund

ADDRESS: and Judson Mark Sinclair, Treasurer

2001 Ross Avenue, Suite 2800

Dallas, Texas 75201

HOME PHONE: _____

BUSINESS PHONE: (214) 979-1739

86040594275

AFFIDAVIT OF JUDSON MARK SINCLAIR

Judson Mark Sinclair, being duly sworn, states and avers as follows:

1. Dallas County Victory '84 Fund (the "Fund") is a political committee registered with the Federal Election Commission; its FEC identification number is CO0135426. I have served as its treasurer since its inception.

2. In its 30 day post-general election report covering the period October 1, 1984 through November 26, 1984, the Fund reported disbursements to The Order Desk for mailing services as follows:

<u>Check Number</u>	<u>Date of Disbursement</u>	<u>Amount of Disbursement</u>
257	10/18/84	\$15,540.00
285	10/24/84	\$11,205.20
288	10/25/84	\$ 2,000.00
325	11/7/84	\$ 324.45

3. In the same report, the Fund reported disbursements to Millet the Printer for printing services as follows:

<u>Check Number</u>	<u>Date of Disbursement</u>	<u>Amount of Disbursement</u>
240	10/11/84	\$ 546.28
243	10/11/84	\$ 420.84
261	10/19/84	\$ 867.04
299	10/29/84	\$9,777.66
315	11/7/84	\$ 140.79
328	11/7/84	\$1,741.07
335	11/14/84	\$ 327.97

4. To the best of my knowledge, based on information available to me at this time, the above disbursements were for the following specific purposes:

(a) \$968.91 (\$101.87 of check 299 and all of check 261) was for printing 36,000 regular, letter-size envelopes of the Fund.

(b) A total of \$1,663.44 (checks 243 and 315, plus \$854.12 of check 299, plus \$247.69 of check 335) were for the costs of preparing materials sent or given to volunteers in connection with election-day get-out-the-vote activities.

96040594276

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Dallas County Victory '84 Fund) RAD 85L-18
Judson Mark Sinclair, Treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of June 11, 1985, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in the above-captioned matter:

1. Open a MUR.
2. Find reason to believe that Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 434(b) and 11 CFR § 106.1(a).
3. Approve and send the letter and factual and legal analysis attached to the General Counsel's report dated May 31, 1985.

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

Attest:

6-12-85

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

86040394277

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

FIRST GENERAL COUNSEL'S REPORT

05 MAY 31 012:14

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION 5/31/85-12:15

MUR #85L-18
STAFF MEMBER
JUDY THEDFORD

SOURCE OF MUR: INTERNALLY GENERATED
RESPONDENT'S NAME: Dallas County Victory '84 Fund
Judson Mark Sinclair, Treasurer
RELEVANT STATUTE: 2 U.S.C. § 434(b)
11 C.F.R. § 106.1(a)
INTERNAL REPORTS CHECKED: Dallas County Victory '84 Fund
by RAD
FEDERAL AGENCIES CHECKED: N/A

SENSITIVE

GENERATION OF MATTER

This matter was forwarded to the Office of General Counsel by the Reports Analysis Division ("RAD") on April 24, 1985.

SUMMARY OF ALLEGATION

The 1984 30 Day Post-General Election Report filed by the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, ("the Fund") disclosed \$42,891 in disbursements for printing and mailing services. RAD requested clarification of the payments from the respondents. Specifically, RAD questioned whether any of these disbursements were made on behalf of a specifically identified Federal candidate; and if so, the disbursements should then be disclosed as in-kind contributions or coordinated expenditures. The respondents failed to respond to the RAD inquiry.

85040394278

FACTUAL AND LEGAL ANALYSIS

2 U.S.C. § 434(b)(5)(A) requires the reporting of the name and address of each:

person to whom an expenditure in an aggregate amount or value in excess of \$200 within the calendar year is made by the reporting committee to meet a candidate or committee operating expense, together with the date, amount, and purpose of such operating expenditure.

11 CFR § 106.1(a) states,

Expenditures, ... made on behalf of more than one candidate shall be attributed to each candidate, in proportion to, and shall be reported to reflect, the benefit reasonably expected to be derived.

The following disbursements were reported by the Fund, for printing and mailing services on its 1984 30 Day Post-General Election Report:

<u>Payee</u>	<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
Millet the Printer	Printing Services	10/11/84	\$ 546.28
		10/11/84	420.84
		10/19/84	867.04
		10/29/84	9,777.66
		11/07/84	140.79
		11/07/84	1,741.07
		11/14/84	327.97
The Order Desk	Mailing Services	10/18/84	15,540.00
		10/24/84	11,205.20
		10/25/84	2,000.00
		11/07/84	324.45

The Fund received two notices dated February 8, and 28, 1985, and one phone call on April 8, 1985, from the Commission's Reports Analysis Division inquiring into whether any of the disbursements were made on behalf of a Federal candidate. These repeated requests were not answered by the Fund. Therefore,

86040594279

Office of General Counsel recommends opening a MUR and finding reason to believe the Fund violated 2 U.S.C. § 434(a) and 11 CFR § 106.1(a).

RECOMMENDATIONS

1. Open a MUR
2. Find reason to believe that Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, violated 2 U.S.C. § 434(b) and 11 CFR § 106.1(a).
3. Approve and send the attached letter and factual and legal analysis.

Charles N. Steele
General Counsel

May 31, 1985
Date

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

Attachments

1. Referral
2. Proposed letter
3. GC Factual & Legal Analysis

86040594280

85040394281

(1)

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 24 April 1985

ANALYST: Brian J. Hancock

I. COMMITTEE: Dallas County Victory '84 Fund
(C00135426)
Judson Mark Sinclair, Treasurer
2001 Ross Avenue, Suite 2800^{1/}
Dallas, TX 75201

II. RELEVANT STATUTE: 11 CFR 106.1(a)

III. BACKGROUND:

Failure to Allocate Expenditures Among Candidates

The 1984 30 Day Post-General Report filed by the Dallas County Victory '84 Fund ("the Fund") disclosed a total of \$42,891.30 in disbursements for printing and mailing services (Attachment 2).

A Request for Additional Information ("RFAI") was sent to the Fund on February 8, 1985, seeking clarification regarding the payments for printing and mailing services. The RFAI also informed the Fund that if these disbursements were made on behalf of specifically identified Federal candidates, they should be disclosed as either in-kind contributions on Schedule B supporting Line 21, or coordinated expenditures on Schedule F supporting Line 23, and should include the amount, name, address, and office sought by each candidate (Attachment 3).

Since the Fund failed to respond to the original RFAI, a Second Notice was sent on February 28, 1985 (Attachment 4). On March 4, 1985, a response was received from the Fund, but it did not address the matter of the expenditures for printing and mailing services (Attachment 5).

^{1/} The Fund notified the Commission of a change of address on its 1984 30 Day Post-General Report.

85040594282

2

DALLAS COUNTY VICTORY '84 FUND
REPORTS ANALYSIS OGC REFERRAL
PAGE 2

The Reports Analysis Division ("RAD") analyst contacted the Fund's treasurer, Mr. Judson Mark Sinclair, on April 8, 1985 in an effort to encourage the treasurer to provide the necessary information. Mr. Sinclair told the analyst that he would review his files and call back after he had collected the pertinent information (Attachment 6).

As of the date of this referral, the Commission has not received a response.

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

86040394283

PARTY RELATED

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
DALLAS COUNTY VICTORY '84 FUND CONNECTED ORGANIZATION: REPUBLICAN PARTY OF DALLAS COUNTY				PARTY NON-QUALIFIED		ID #C00135426
1984	STATEMENT OF ORGANIZATION - AMENDMENT			8MAR84	3	84FEC/299/0427
	STATEMENT OF ORGANIZATION - AMENDMENT			30APR84	3	84FEC/313/1098
	APRIL QUARTERLY	0	0	1MAR84 -15APR84	2	84FEC/312/5397
	JULY QUARTERLY	17,766	7,005	16APR84 -30JUN84	11	84FEC/323/1142
	JULY QUARTERLY - AMENDMENT	17,766	7,891	16APR84 -30JUN84	12	84FEC/323/2968
	JULY QUARTERLY - AMENDMENT	-	-	16APR84 -30JUN84	4	85FEC/361/4339
	REQUEST FOR ADDITIONAL INFORMATION			16APR84 -30JUN84	2	85FEC/360/0021
	OCTOBER QUARTERLY	173,029	41,271	1JUL84 -30SEP84	32	84FEC/340/0005
	OCTOBER QUARTERLY - AMENDMENT	-	-	1JUL84 -30SEP84	1	85FEC/362/0000
	OCTOBER QUARTERLY - AMENDMENT	173,029	41,271	1JUL84 -30SEP84	4	85FEC/367/0002
	REQUEST FOR ADDITIONAL INFORMATION			1JUL84 -30SEP84	3	85FEC/359/0007
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1JUL84 -30SEP84	1	85FEC/365/3316
	POST-GENERAL	34,675	117,824	1OCT84 -26NOV84	17	85FEC/360/3023
	POST-GENERAL - AMENDMENT	-	-	1OCT84 -26NOV84	4	85FEC/367/2524
	NOTICE OF FAILURE TO FILE			1OCT84 -26NOV84	1	84FEC/357/4906
	REQUEST FOR ADDITIONAL INFORMATION			1OCT84 -26NOV84	3	85FEC/365/3974
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1OCT84 -26NOV84	4	85FEC/367/1770
	YEAR-END	369	5,273	27NOV84 -31DEC84	5	85FEC/361/3983
1985	MISCELLANEOUS NOTICE FROM FEC			7FEB85	1	85FEC/361/2030
	TOTAL	225,839	0 172,259	0	113	TOTAL PAGES

Debts and obligations owed by the committee: \$886.00
 Debts and obligations owed to the committee: 0
 Ending cash on hand as of 12/31/84: \$53,578.81
 All reports have been reviewed

(7)

1984 30-DAY POST-GENERAL REPORT

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)
Dallas County Victory '84 Fund

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Millet the Printer 1000 S. Ervay St. Dallas, Texas 75201	Printing services	10/11/84	546.28
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	10/11/84	420.84
	<input type="checkbox"/> Other (specify):	10/19/84	867.04
B. Full Name, Mailing Address and ZIP Code Millet the Printer 1000 S. Ervay St. Dallas, Texas 75201	Printing services	10/29/84	9,777.66
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	11/07/84	140.79
	<input type="checkbox"/> Other (specify):	11/07/84	1,741.07
C. Full Name, Mailing Address and ZIP Code Millet the Printer 1000 S. Ervay St. Dallas, Texas 75201	Printing services	11/14/84	327.97
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General		
	<input type="checkbox"/> Other (specify):		
D. Full Name, Mailing Address and ZIP Code Spalding Campaign Services 1554 Bardstown Road Louisville, KY 40205	Campaign activities	10/11/84	940.00
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	10/23/84	753.00
	<input type="checkbox"/> Other (specify):	10/29/84	167.50
E. Full Name, Mailing Address and ZIP Code Creel Printing Co. 2650 Westwood Dr. Las Vegas, Nevada 89109	Brochures	11/14/84	7,020.97
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General		
	<input type="checkbox"/> Other (specify):		
F. Full Name, Mailing Address and ZIP Code Southern Staple Supply 7009 Carpenter Frwy. Dallas TX 75247	Staples for yard signs	10/11/84	21.49
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	10/19/84	105.46
	<input type="checkbox"/> Other (specify):	10/26/84	52.00
G. Full Name, Mailing Address and ZIP Code Southern Staple Supply Co. 7009 Carpenter Frwy. Dallas TX 75247	Staples for yard signs	11/07/84	17.78
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General		
	<input type="checkbox"/> Other (specify):		
H. Full Name, Mailing Address and ZIP Code Linda Lapine 2831 John West Road Dallas, Texas 75228	Ballot security	10/12/84	360.00
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	11/08/84	330.00
	<input type="checkbox"/> Other (specify):		
I. Full Name, Mailing Address and ZIP Code Balloons over Dallas 2701A Fondren, Suite 121 Dallas TX 75206	Decorations and balloon drop rigging	11/08/84	725.00
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General		
	<input type="checkbox"/> Other (specify):		
SUBTOTAL of Disbursements This Page (optional)			24,314.85
TOTAL This Period (last page this line number only)			

1984 30-DAY POST-GENERAL REPORT

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)

Dallas County Victory '84 Fund

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Lee Nutter Dallas, Texas	Yard sign materials	10/15/84	99.14
		10/23/84	15.92
		10/25/84	284.92
Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):			
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Tom Carter 513 Blanco Mesquite, Texas	Reimbursement for supplies	10/16/84	282.23
		11/14/84	45.50
		11/07/84	127.67
Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):			
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Southwestern Bell Akard St. Dallas, Texas	Additional deposit	10/17/84	406.00
		Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Southwestern Bell Akard St. Dallas, Texas	Phone service	10/29/84	1,045.99
		Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
The Order Desk P.O. Box 26303 Dallas TX 75226	Mailing services	10/18/84	15,540.00
		10/24/84	11,205.20
		10/25/84	2,000.00
Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):			
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
The Order Desk P.O. Box 26303 Dallas, Texas 75226	Mailing services	11/07/84	324.45
		Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Case-Dunlap 5622 Dyer Street Dallas, Texas 75201	Lapel stickers	10/23/84	1,703.20
		Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
The Starch Club 703 McKinney Dallas, Texas 75202	Maureen Reagan reception	10/19/84	3,750.00
		Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Loew's Anatole Hotel Industrial @ Stemmons Dallas, Texas	Reception	10/19/84	2,213.97
		Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	
SUBTOTAL of Disbursements This Page (optional)			39,044.19
TOTAL This Period (last page this line number only)			

6



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20543

FEB 8 1985

EO-2

Judson Mark Sinclair, Treasurer
Dallas County Victory '84 Fund
2700 LTV Tower
2001 Ross Avenue
Dallas, TX 75201

Identification Number: C00135426

Reference: 30 Day Post-General Report (10/1/84-11/26/84)

Dear Mr. Sinclair:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Line 19 of the Detailed Summary Page discloses \$117,824.21 for operating expenditures during the reporting period. If this figure includes any disbursements to payees, which aggregate greater than \$200 in the calendar year, please amend your report(s) by itemizing the expenditures on Schedule B. 11 CFR 104.3(b)(3).

-Schedule A of your report (pertinent part(s) attached) discloses contributions from organizations which are not political committees registered with the Commission. Under 11 CFR 102.5(b), organizations which are not political committees under the Act must either: 1) establish a separate account which contains only those funds permitted under the Act, or 2) demonstrate through a reasonable accounting method that the organization has received sufficient funds subject to the limitations and prohibitions in order to make the contribution.

Please clarify whether the contributions received from these organizations are permissible, as required by 11 CFR 102.5(a). To the extent that your committee has received funds which are not permissible, the amounts should be either refunded to the organizations or transferred out to a non-Federal account. Please inform the Commission in writing and provide a photocopy of your check(s) for the refund(s) or transfer(s)-out. Contributions which are refunded

86040394287
7:01:51974

9

should be disclosed on Schedule B for Line 26a of your next report; those which are transferred-out should be disclosed on Schedule B for Line 20 or Line 27, as appropriate.

-Schedule B supporting Line 19 reflects payments for yard signs, yard sign materials, lapel stickers and voter registration supplies. Payments for yard signs, yard sign materials, lapel stickers and voter registration supplies (sometimes called "exempt activity") are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used including distribution by direct mail; all funds used for the activity must be permitted under the act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. (See 11 CFR 100.7(b)(15) and (17) and Pages 11 and 12 of the Campaign Guide for Party Committees.)

Please clarify the nature of the payments for yard signs, yard sign materials, lapel stickers and voter registration supplies. If the activity disclosed on your report does not meet the definition of "exempt" activity as described above, and a portion or all of the expenditures were made on behalf of specifically identified candidates, the activity must be disclosed on Schedule B or F for Line 21 or 23 of the Detailed Summary Page, as appropriate.

-Please clarify all expenditures made for printing services and mailing services. If a portion or all of these expenditures were made on behalf of specifically identified Federal candidates, they should be disclosed on Schedules B or F for Lines 21 or 23 and include the amount, name, address and office sought by each candidate. 11 CFR 104.3(b) and 106.1.

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 523-4048.

Sincerely,

Brian J. Hancock
Reports Analyst
Reports Analysis Division

86040394288
911353073

8



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

EQ-3

February 28, 1985

Judson Mark Sinclair, Treasurer
Dallas County Victory '84 Fund
2700 LTV Tower
2001 Ross Avenue
Dallas, TX 75201

Identification Number: C00135426

Reference: 30 Day Post-General Report (10/1/84-11/26/84)

Dear Mr. Sinclair:

This letter is to inform you that as of February 27, 1985, the Commission has not received your response to our request for additional information, dated February 8, 1985. That notice requested information essential to full public disclosure of your Federal election financial activity and to ensure compliance with provisions of the Federal Election Campaign Act (the Act). A copy of our original request is enclosed.

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Brian Hancock on our toll-free number (800) 424-9530 or our local number (202) 523-4048.

Sincerely,

John D. Gibson
Assistant Staff Director
Reports Analysis Division

Enclosure

96040394289
85033671770

9

DALLAS COUNTY VICTORY '84



7828 North Central Expressway Dallas, Texas 75205

214/986-0805

Chairmen
Jesse Cox
Jim Oberwetter

ATTACHMENT 5

February 19, 1985

Mr. Brian J. Hancock
Reports Analysis Division
Federal Election Commission
Washington, D.C. 20463

ID #: CO0135426
Ref: Dallas County Victory '84 Fund
30 Day Post - General Report (10/1/84 - 11/26/84)

Dear Mr. Hancock:

This letter is in response to the letter received from you dated February 8, 1985 regarding your preliminary review of the report referenced above.

Enclosed is page 6 of Schedule B supporting Line 19 of the Detailed Summary Page which you indicated in our telephone conversation was misplaced and was the reason for your first comment.

As your letter indicated, the Dallas County Victory '84 Fund received a \$25 contribution from the Republican Women's Club of Grand Prairie, a \$100 contribution from the First Republican Women's Club of Dallas, and a \$250 contribution from the Dallas County North Republic Club, none of which are political committees registered with the Commission. In accordance with your letter, the Dallas County Victory '84 Fund will transfer-out such contributions to the Republican Party of Dallas County, a local party committee, and such transfer-out will be appropriately disclosed on Schedule B of the report covering the period in which the transfer-out was made. A photocopy of the transfer-out is attached.

The payments made by the Dallas County Victory '84 Fund for yard signs, yard sign materials, lapel stickers and voter registration supplies qualify as exempt activities and meet the conditions prescribed by 11 CFR 100.7(B)(15) and (17) and pages 11 and 12 of the Campaign Guide for Party Committees, with respect to no public advertising, no prohibited contributions, no designated contributions, and no funds from National committees.

Based on the facts described above we believe no amendment to our original report is required.

Please call me if additional information is needed or if further questions exist.

Sincerely,

Mark Sinclair
Treasurer

(10)

850403357290

ANALYST: Brian J. Hancock
CONVERSATION WITH: Mr. Judson Mark Sinclair
COMMITTEE: Dallas County Victory '84 Fund
DATE: 4/8/85
SUBJECT(S): Inadequate Response to RFAI on 30G

I called Mr. Sinclair today and informed him that the Commission had never received a response from Victory '84 regarding clarification of printing and mailing services disclosed on the 30 Day Post-General Election Report. I urged Mr. Sinclair to respond to this question as quickly and completely as possible, since the amount in question was quite considerable (over \$40,000).

Mr. Sinclair said that he would review his files and call me back after he had collected his information.

85040394291



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Judson Mark Sinclair, Treasurer
Dallas County Victory '84 Fund
2001 Ross Avenue
Suite 2800
Dallas, Texas 75201

RE: MUR
Dallas County Victory '84 Fund
Judson Mark Sinclair, as treasurer

Dear Mr. Sinclair:

On , 1985, the Federal Election Commission determined that there is reason to believe Dallas County Victory '84 Fund and you, as treasurer, violated 2 U.S.C. § 434(b) and 11 CFR § 106.1(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and the corresponding regulation. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within ten days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form

35040394292

12

Letter to Judson Mark Sinclair, Treasurer
Page 2

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.

The investigation now being conducted will be 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Judy Thedford, at (202) 523-4000.

Sincerely,

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

36040594293

13

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO.

RESPONDENT: Dallas County Victory '84 Fund
Judson Mark Sinclair, Treasurer

SUMMARY OF ALLEGATION

The 1984 30 Day Post-General Election Report filed by the Dallas County Victory '84 Fund and Judson Mark Sinclair, as treasurer, ("the Fund") disclosed \$42,891 in disbursements for printing and mailing services. The Commission's Reports Analysis Division ("RAD") requested clarification of the payments from the respondents. Specifically, RAD questioned whether any of these disbursements were made on behalf of a specifically identified Federal candidate; and if so, the disbursements should then be disclosed as in-kind contributions or coordinated expenditures. The respondents failed to respond to the RAD inquiry.

FACTUAL AND LEGAL ANALYSIS

2 U.S.C. § 434(b)(5)(A) requires the reporting of the name and address of each:

person to whom an expenditure in an aggregate amount or value in excess of \$200 within the calendar year is made by the reporting committee to meet a candidate or committee operating expense, together with the date, amount, and purpose of such operating expenditure.

11 CFR § 106.1(a) states,

Expenditures, ... made on behalf of more than one candidate shall be attributed to each candidate, in porportion to, and shall be reported to reflect, the benefit reasonably expected to be derived.

95040794294

The following disbursements were reported by the Fund, for printing and mailing services on its 1984 30 Day Post-General Election Report:

<u>Payee</u>	<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
Millet the Printer	Printing Services	10/11/84	\$ 546.28
		10/11/84	420.84
		10/19/84	867.04
		10/29/84	9,777.66
		11/07/84	140.79
		11/07/84	1,741.07
		11/14/84	327.97
The Order Desk	Mailing Services	10/18/84	15,540.00
		10/24/84	11,205.20
		10/25/84	2,000.00
		11/07/84	324.45

The Fund received two notices dated February 8, and 28, 1985, and one phone call on April 8, 1985, from the Commission's Reports Analysis Division inquiring into whether any of the disbursements were made on behalf of a Federal candidate. These repeated requests were not answered by the Fund. Therefore, Office of General Counsel recommends opening a MUR and finding reason to believe the Fund violated 2 U.S.C. § 434(a) and 11 CFR § 106.1(a).

26040791295

15

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 24 April 1985

ANALYST: Brian J. Hancock

I. COMMITTEE: Dallas County Victory '84 Fund
(C00135426)
Judson Mark Sinclair, Treasurer
2001 Ross Avenue, Suite 2800^{1/}
Dallas, TX 75201

II. RELEVANT STATUTE: 11 CFR 106.1(a)

III. BACKGROUND:

Failure to Allocate Expenditures Among Candidates

The 1984 30 Day Post-General Report filed by the Dallas County Victory '84 Fund ("the Fund") disclosed a total of \$42,891.30 in disbursements for printing and mailing services (Attachment 2).

A Request for Additional Information ("RFAI") was sent to the Fund on February 8, 1985, seeking clarification regarding the payments for printing and mailing services. The RFAI also informed the Fund that if these disbursements were made on behalf of specifically identified Federal candidates, they should be disclosed as either in-kind contributions on Schedule B supporting Line 21, or coordinated expenditures on Schedule F supporting Line 23, and should include the amount, name, address, and office sought by each candidate (Attachment 3).

Since the Fund failed to respond to the original RFAI, a Second Notice was sent on February 28, 1985 (Attachment 4). On March 4, 1985, a response was received from the Fund, but it did not address the matter of the expenditures for printing and mailing services (Attachment 5).

^{1/} The Fund notified the Commission of a change of address on its 1984 30 Day Post-General Report.

0 0 4 0 3 9 4 2 9 6

DALLAS COUNTY VICTORY '84 FUND
REPORTS ANALYSIS OGC REFERRAL
PAGE 2

The Reports Analysis Division ("RAD") analyst contacted the Fund's treasurer, Mr. Judson Mark Sinclair, on April 8, 1985 in an effort to encourage the treasurer to provide the necessary information. Mr. Sinclair told the analyst that he would review his files and call back after he had collected the pertinent information (Attachment 6).

As of the date of this referral, the Commission has not received a response.

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

06040794297

PARTY RELATED

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
DALLAS COUNTY VICTORY '84 FUND				PARTY NON-QUALIFIED		ID #C00135426
CONNECTED ORGANIZATION: REPUBLICAN PARTY OF DALLAS COUNTY						
1984	STATEMENT OF ORGANIZATION - AMENDMENT			8MAR84	3	84FEC/299/0427
	STATEMENT OF ORGANIZATION - AMENDMENT			30APR84	3	84FEC/313/1098
	APRIL QUARTERLY	0	0	1MAR84 -15APR84	2	84FEC/312/5397
	JULY QUARTERLY	17,766	7,005	16APR84 -30JUN84	11	84FEC/323/1142
	JULY QUARTERLY - AMENDMENT	17,766	7,891	16APR84 -30JUN84	12	84FEC/323/2968
	JULY QUARTERLY - AMENDMENT	-	-	16APR84 -30JUN84	4	85FEC/361/437
	REQUEST FOR ADDITIONAL INFORMATION			16APR84 -30JUN84	2	85FEC/360/00
	OCTOBER QUARTERLY	173,029	41,271	1JUL84 -30SEP84	32	84FEC/340/2235
	OCTOBER QUARTERLY - AMENDMENT	-	-	1JUL84 -30SEP84	1	85FEC/362/0500
	OCTOBER QUARTERLY - AMENDMENT	173,029	41,271	1JUL84 -30SEP84	4	85FEC/367/0342
	REQUEST FOR ADDITIONAL INFORMATION			1JUL84 -30SEP84	3	85FEC/359/5507
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1JUL84 -30SEP84	1	85FEC/365/3316
	POST-GENERAL	34,675	117,824	1OCT84 -26NOV84	17	85FEC/360/3023
	POST-GENERAL - AMENDMENT	-	-	1OCT84 -26NOV84	4	85FEC/367/2524
	NOTICE OF FAILURE TO FILE			1OCT84 -26NOV84	1	84FEC/357/4906
	REQUEST FOR ADDITIONAL INFORMATION			1OCT84 -26NOV84	3	85FEC/365/3974
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1OCT84 -26NOV84	4	85FEC/367/1770
	YEAR-END	369	5,273	27NOV84 -31DEC84	5	85FEC/361/3983
1985	MISCELLANEOUS NOTICE FROM FEC			7FEB85	1	85FEC/361/2030
	TOTAL	225,839	0 172,259	0	113	TOTAL PAGES

Debts and obligations owed by the committee: \$886.00
 Debts and obligations owed to the committee: 0
 Ending cash on hand as of 12/31/84: \$53,578.81
 All reports have been reviewed

1984 30-DAY POST-GENERAL REPORT

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)			
Dallas County Victory '84 Fund			
A. Full Name, Mailing Address and ZIP Code Millet the Printer 1000 S. Ervay St. Dallas, Texas 75201	Purpose of Disbursement Printing services	Date (month, day, year) 10/11/84	Amount of Each Disbursement This Period 546.28
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	10/11/84	420.84
	<input type="checkbox"/> Other (specify):	10/19/84	867.04
B. Full Name, Mailing Address and ZIP Code Millet the Printer 1000 S. Ervay St. Dallas, Texas 75201	Purpose of Disbursement Printing services	Date (month, day, year) 10/29/84	Amount of Each Disbursement This Period 9,777.66
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	11/07/84	140.79
	<input type="checkbox"/> Other (specify):	11/07/84	1,741.07
C. Full Name, Mailing Address and ZIP Code Millet the Printer 1000 S. Ervay St. Dallas, Texas 75201	Purpose of Disbursement Printing services	Date (month, day, year) 11/14/84	Amount of Each Disbursement This Period 327.97
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General		
	<input type="checkbox"/> Other (specify):		
D. Full Name, Mailing Address and ZIP Code Spalding Campaign Services 1554 Bardstown Road Louisville, KY 40205	Purpose of Disbursement Campaign activities	Date (month, day, year) 10/11/84	Amount of Each Disbursement This Period 940.00
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	10/23/84	753.00
	<input type="checkbox"/> Other (specify):	10/29/84	167.50
E. Full Name, Mailing Address and ZIP Code Creel Printing Co. 2650 Westwood Dr. Las Vegas, Nevada 89109	Purpose of Disbursement Brochures	Date (month, day, year) 11/14/84	Amount of Each Disbursement This Period 7,020.97
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General		
	<input type="checkbox"/> Other (specify):		
F. Full Name, Mailing Address and ZIP Code Southern Staple Supply 7009 Carpenter Frwy. Dallas TX 75247	Purpose of Disbursement Staples for yard signs	Date (month, day, year) 10/11/84	Amount of Each Disbursement This Period 21.49
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	10/19/84	105.46
	<input type="checkbox"/> Other (specify):	10/26/84	52.00
G. Full Name, Mailing Address and ZIP Code Southern Staple Supply Co. 7009 Carpenter Frwy. Dallas TX 75247	Purpose of Disbursement Staples for yard signs	Date (month, day, year) 11/07/84	Amount of Each Disbursement This Period 17.78
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General		
	<input type="checkbox"/> Other (specify):		
H. Full Name, Mailing Address and ZIP Code Linda Lapine 2831 John West Road Dallas, Texas 75228	Purpose of Disbursement Ballot security	Date (month, day, year) 10/12/84	Amount of Each Disbursement This Period 360.00
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	11/08/84	330.00
	<input type="checkbox"/> Other (specify):		
I. Full Name, Mailing Address and ZIP Code Balloons over Dallas 2701A Fondren, Suite 121 Dallas TX 75206	Purpose of Disbursement Decorations and balloon drop rigging	Date (month, day, year) 11/08/84	Amount of Each Disbursement This Period 725.00
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General		
	<input type="checkbox"/> Other (specify):		
SUBTOTAL of Disbursements This Page (optional)			24,314.85
TOTAL This Period (last page this line number only)			

1984 30-DAY POST-GENERAL REPORT

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 committees.

Name of Committee (in Full)

Dallas County Victory '84 Fund

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Lee Nutter Dallas, Texas	Yard sign materials	10/15/84 10/23/84 10/25/84	99.14 15.92 284.92
Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):			
B. Full Name, Mailing Address and ZIP Code Tom Carter 513 Blanco Mesquite, Texas	Reimbursement for supplies	10/16/84 11/14/84 11/07/84	282.23 45.50 127.67
Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):			
C. Full Name, Mailing Address and ZIP Code Southwestern Bell Akard St. Dallas, Texas	Additional deposit	10/17/84	406.00
Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):			
D. Full Name, Mailing Address and ZIP Code Southwestern Bell Akard St. Dallas, Texas	Phone service	10/29/84	1,045.99
Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):			
E. Full Name, Mailing Address and ZIP Code The Order Desk P.O. Box 26303 Dallas TX 75226	Mailing services	10/18/84 10/24/84 10/25/84	15,540.00 11,205.20 2,000.00
Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):			
F. Full Name, Mailing Address and ZIP Code The Order Desk P.O. Box 26303 Dallas, Texas 75226	Mailing services	11/07/84	324.45
Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):			
G. Full Name, Mailing Address and ZIP Code Case-Dunlap 5622 Dyer Street Dallas, Texas 75201	Lapel stickers	10/23/84	1,703.20
Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):			
H. Full Name, Mailing Address and ZIP Code The Starck Club 703 McKinney Dallas, Texas 75202	Maureen Reagan reception	10/19/84	3,750.00
Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):			
I. Full Name, Mailing Address and ZIP Code Loew's Anatole Hotel Industrial @ Stemmons Dallas, Texas	Reception	10/19/84	2,213.97
Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):			
SUBTOTAL of Disbursements This Page (optional)			39,044.19
TOTAL This Period (last page this line number only)			

93033050350
 83040394300

257



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

FEB 8 1985

BQ-2

Judson Mark Sinclair, Treasurer
Dallas County Victory '84 Fund
2700 LTV Tower
2001 Ross Avenue
Dallas, TX 75201

Identification Number: C00135426

Reference: 30 Day Post-General Report (10/1/84-11/26/84)

Dear Mr. Sinclair:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Line 19 of the Detailed Summary Page discloses \$117,824.21 for operating expenditures during the reporting period. If this figure includes any disbursements to payees, which aggregate greater than \$200 in the calendar year, please amend your report(s) by itemizing the expenditures on Schedule B. 11 CFR 104.3(b)(3).

-Schedule A of your report (pertinent portion(s) attached) discloses contributions from organizations which are not political committees registered with the Commission. Under 11 CFR 102.5(b), organizations which are not political committees under the Act must either: 1) establish a separate account which contains only those funds permitted under the Act, or 2) demonstrate through a reasonable accounting method that the organization has received sufficient funds subject to the limitations and prohibitions in order to make the contribution.

Please clarify whether the contributions received from these organizations are permissible, as required by 11 CFR 102.5(a). To the extent that your committee has received funds which are not permissible, the amounts should be either refunded to the organizations or transferred out to a non-Federal account. Please inform the Commission in writing and provide a photocopy of your check(s) for the refund(s) or transfer(s)-out. Contributions which are refunded

86040394301
30351974

should be disclosed on Schedule B for Line 26a of your next report; those which are transferred-out should be disclosed on Schedule B for Line 20 or Line 27, as appropriate.

-Schedule B supporting Line 19 reflects payments for yard signs, yard sign materials, label stickers and voter registration supplies. Payments for yard signs, yard sign materials, label stickers and voter registration supplies (sometimes called "exempt activity") are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used including distribution by direct mail; all funds used for the activity must be permitted under the act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. (See 11 CFR 100.7(b)(15) and (17) and Pages 11 and 12 of the Campaign Guide for Party Committees.)

Please clarify the nature of the payments for yard signs, yard sign materials, label stickers and voter registration supplies. If the activity disclosed on your report does not meet the definition of "exempt" activity as described above, and a portion or all of the expenditures were made on behalf of specifically identified candidates, the activity must be disclosed on Schedule B or F for Line 21 or 23 of the Detailed Summary Page, as appropriate.

-Please clarify all expenditures made for printing services and mailing services. If a portion or all of these expenditures were made on behalf of specifically identified Federal candidates, they should be disclosed on Schedules B or F for Lines 21 or 23 and include the amount, name, address and office sought by each candidate. 11 CFR 104.3(b) and 106.1.

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 523-4048.

Sincerely,

Brian J. Hancock
Reports Analyst
Reports Analysis Division

85040394302
31353075



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

20-3

February 28, 1985

Judson Mark Sinclair, Treasurer
Dallas County Victory '84 Fund
2700 LTV Tower
2001 Ross Avenue
Dallas, TX 75201

Identification Number: C901354:6

Reference: 30 Day Post-General Report (10/1/84-11/26/84)

Dear Mr. Sinclair:

This letter is to inform you that as of February 27, 1985, the Commission has not received your response to our request for additional information, dated February 8, 1985. That notice requested information essential to full public disclosure of your Federal election financial activity and to ensure compliance with provisions of the Federal Election Campaign Act (the Act). A copy of our original request is enclosed.

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Brian Hancock on our toll-free number (800) 424-9530 or our local number (202) 523-4048.

Sincerely,

John D. Gibson
Assistant Staff Director
Reports Analysis Division

Enclosure

86040594303
85033571770

DALLAS COUNTY VICTORY '84



7828 North Central Expressway Dallas, Texas 75208

214/926-0805

Chairmen
Jane Coe
Kim Oberwetter

ATTACHMENT 5

February 19, 1985

Mr. Brian J. Hancock
Reports Analysis Division
Federal Election Commission
Washington, D.C. 20463

ID #: C00135426
Ref: Dallas County Victory '84 Fund
30 Day Post - General Report (10/1/84 - 11/26/84)

Dear Mr. Hancock:

This letter is in response to the letter received from you dated February 8, 1985 regarding your preliminary review of the report referenced above.

Enclosed is page 6 of Schedule B supporting Line 19 of the Detailed Summary Page which you indicated in our telephone conversation was misplaced and was the reason for your first comment.

As your letter indicated, the Dallas County Victory '84 Fund received a \$25 contribution from the Republican Women's Club of Grand Prairie, a \$100 contribution from the First Republican Women's Club of Dallas, and a \$250 contribution from the Dallas County North Republic Club, none of which are political committees registered with the Commission. In accordance with your letter, the Dallas County Victory '84 Fund will transfer-out such contributions to the Republican Party of Dallas County, a local party committee, and such transfer-out will be appropriately disclosed on Schedule B of the report covering the period in which the transfer-out was made. A photocopy of the transfer-out is attached.

The payments made by the Dallas County Victory '84 Fund for yard signs, yard sign materials, lapel stickers and voter registration supplies qualify as exempt activities and meet the conditions prescribed by 11 CFR100.7(B)(15) and (17) and pages 11 and 12 of the Campaign Guide for Party Committees, with respect to no public advertising, no prohibited contributions, no designated contributions, and no funds from National committees.

Based on the facts described above we believe no amendment to our original report is required.

Please call me if additional information is needed or if further questions exist.

Sincerely,


Mark Sinclair
Treasurer

9 5 0 3 3 7 2 5 2 4

ANALYST: Brian J. Hancock
CONVERSATION WITH: Mr. Judson Mark Sinclair
COMMITTEE: Dallas County Victory '84 Fund
DATE: 4/8/85
SUBJECT(S): Inadequate Response to RFAI on 30G

I called Mr. Sinclair today and informed him that the Commission had never received a response from Victory '84 regarding clarification of printing and mailing services disclosed on the 30 Day Post-General Election Report. I urged Mr. Sinclair to respond to this question as quickly and completely as possible, since the amount in question was quite considerable (over \$40,000).

Mr. Sinclair said that he would review his files and call me back after he had collected his information.

86040394305



FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 2035

Date Filmed 6/30/86 Camera No. --- 2

Cameraman AS

86040594306